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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2017 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

BRIAN CARRICO,  
ONE ACCORD MANAGEMENT, INC.,  
and  
PERFORMANCE MEDICAL & REHAB  
CENTER, INC.,

Defendants.

SA CR No. 18

18CR00120-AG

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy; 18 U.S.C. §§ 1341, 1346: Mail Fraud Involving Deprivation of Honest Services; 18 U.S.C. §§ 1343, 1346: Wire Fraud Involving Deprivation of Honest Services; 18 U.S.C. §§ 1952(a)(1), (a)(3): Use of an Interstate Facility in Aid of Bribery; 42 U.S.C. §§ 1320a-7b(b)(1)(A), (b)(2)(A): Illegal Remunerations for Health Care Referrals; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done; 18 U.S.C. §§ 982(a)(7), 981(a)(1)(A), (a)(1)(C), and 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Healthsmart Pacific Inc., doing business as Pacific

1 Hospital of Long Beach ("Pacific Hospital"), was a hospital located  
2 in Long Beach, California, specializing in surgeries, particularly  
3 spinal and orthopedic surgeries. From at least in or around 1997 to  
4 October 2013, Pacific Hospital was owned and/or operated by Michael  
5 D. Drobot ("Drobot"), along with an unindicted co-conspirator from on  
6 or about September 27, 2005 to on or about October 12, 2010. James  
7 Canedo ("Canedo") was Pacific Hospital's Chief Financial Officer  
8 ("CFO").

9 2. Pacific Specialty Physician Management, Inc. ("PSPM") was a  
10 corporation, owned and controlled by Drobot and others and  
11 headquartered in Newport Beach, California, that provided  
12 administrative and management services for physicians' offices. PSPM  
13 was created to steer patient referrals to Pacific Hospital. At  
14 various times, unindicted co-conspirator ("UCC") A and UCC-B were  
15 administrators at PSPM.

16 3. Defendant BRIAN CARRICO ("defendant CARRICO") co-owned  
17 and/or operated medical clinics in Torrance, Garden Grove, and  
18 Riverside, California, which specialized in treating federal  
19 employees who sustained work-related injuries covered under a program  
20 implemented by the United States Department of Labor ("DOL")  
21 (referred to herein as the "FECA program"). These clinics and others  
22 were operated as part of the following professional medical  
23 corporations: (a) Cooperative Care Medical Group, from at least as  
24 early as 2001 to 2004; (b) Performance Health Medical Group, Inc.,  
25 from 2004 to approximately 2008, and (c) defendant PERFORMANCE  
26 MEDICAL & REHAB CENTER, INC. from 2008 to present (collectively,  
27 "defendant PERFORMANCE MEDICAL").  
28

1           4. Defendant ONE ACCORD MANAGEMENT, INC., located at 21707  
2 Hawthorne Blvd., Suite 201, Torrance CA 90503, along with predecessor  
3 entities (collectively, "defendant ONE ACCORD"), was the management  
4 company for defendant PERFORMANCE MEDICAL and provided non-medical  
5 services such as billing, collections, and human resources for  
6 defendant PERFORMANCE MEDICAL and its affiliated medical  
7 professionals. Defendant CARRICO owned and operated defendant ONE  
8 ACCORD.

9           5. Union Choice Therapy Network, Inc., doing business as Union  
10 Choice Medical Provider Network, and related entities, including  
11 Union Choice Management Services, Inc. (collectively, "UCTN" or  
12 "Union Choice") was the "business development" arm for defendant  
13 PERFORMANCE MEDICAL. UCTN was formed to generate or develop patient  
14 referrals -- for the exclusive benefit of defendant PERFORMANCE  
15 MEDICAL -- through relationships with unions associated with the  
16 United States Postal Service and other federal employers with  
17 employees who were potentially covered under the FECA program. From  
18 at least March 14, 2002, until in or about February 2014, co-  
19 conspirator William Parker ("Parker") owned and operated UCTN, along  
20 with, starting at least as early as 2005, UCC-C.

21           6. In practice, regardless of corporate entity distinctions  
22 and official ownership status, defendant CARRICO and Parker jointly  
23 operated defendants PERFORMANCE MEDICAL and ONE ACCORD from at least  
24 as early as 2002 to present. At various times, the wife of defendant  
25 CARRICO and sister of Parker, UCC-D, participated in the operation of  
26 defendants PERFORMANCE MEDICAL and ONE ACCORD.

27           7. PHLB MRI, LLC ("PHLB-MRI") provided imaging network  
28 services to existing and prospective patients of Pacific Hospital.

1 PHLB-MRI was owned and operated by Drobot and Paul Randall, who was a  
2 "marketer" for Pacific Hospital and other entities. As of August 1,  
3 2006, PHLB-MRI contracted with Pacific Hospital for billing and  
4 collection services, which Pacific Hospital agreed to provide in  
5 exchange for five percent (5%) of PHLB-MRI's net income. Effective  
6 January 1, 2007, PHLB-MRI entered into a "Management Services  
7 Agreement" with UCTN that obligated UCTN to provide billing and  
8 collection services for PHLB-MRI's FECA program claims, in exchange  
9 for thirty percent (30%) of PHLB-MRI's collections.

10 8. UCC-E was a marketer who solicited defendants PERFORMANCE  
11 MEDICAL and ONE ACCORD for patient referrals to Pacific Hospital in  
12 or about 2003 or 2004. After UCC-E was directed to Parker for  
13 "business development" on behalf of defendants PERFORMANCE MEDICAL  
14 and ONE ACCORD, UCC-E introduced Parker to UCC-A (representing PSPM  
15 and Pacific Hospital) to arrange for defendants PERFORMANCE MEDICAL  
16 and ONE ACCORD to send patient referrals to Pacific Hospital.

17 9. Co-conspirator William George Hammer ("Hammer") provided  
18 finance, accounting, and operational support for Pacific Hospital,  
19 PSPM, and other Drobot-affiliated entities. Hammer was also the  
20 President and CFO of PSPM at various times.

21 10. UCC-F was responsible for managing Pacific Hospital's  
22 overall insurance billings and collections.

23 11. UCC-G was a business office manager at Pacific Hospital  
24 responsible for billing and collecting various insurance claims.  
25 Prior to Pacific Hospital entering into a contractual arrangement  
26 with UCTN in or around June 2004, UCC-G and her staff were the  
27 exclusive billing and collection team for Pacific Hospital's FECA  
28 program claims. Following Pacific Hospital's contractual arrangement

1 with UCTN in or about June 2004, UCC-G and her staff continued to  
2 generate FECA program billings, but instead of sending the claims  
3 directly to DOL, they sent the billings and accompanying  
4 documentation to an employee at defendant ONE ACCORD (who UCC-G  
5 believed was an employee of UCTN).

6 12. UCC-H was a fiscal manager at Pacific Hospital who  
7 interfaced with Parker concerning invoices UCTN sent to Pacific  
8 Hospital for payment. UCC-I was the controller for Pacific Hospital,  
9 who would process payment obligations, including invoices from UCTN.

10 13. UCC-J was an employee of defendants PERFORMANCE MEDICAL  
11 and ONE ACCORD since approximately 1998 and the office manager for  
12 defendants PERFORMANCE MEDICAL and ONE ACCORD from November 2003  
13 through approximately May 2011.

14 14. UCC-K worked in defendant ONE ACCORD's billing department  
15 and was primarily responsible for defendant ONE ACCORD's FECA program  
16 collection work for Pacific Hospital until approximately May 2005.  
17 UCC-K spent a maximum of two hours per day working on Pacific  
18 Hospital collections.

19 15. UCC-L was the billing supervisor for defendant ONE ACCORD.  
20 Starting in or about 2006, UCC-L took over the supervision and day-  
21 to-day handling of defendant ONE ACCORD's billing and collection work  
22 for Pacific Hospital. UCC-L and other defendant ONE ACCORD staff  
23 members spent a combined total of a "few hours a week" handling all  
24 contracted for FECA program billing and collection work for Pacific  
25 Hospital. UCC-L's primary contact at Pacific Hospital was UCC-G.  
26 UCC-L and UCC-G communicated exclusively or almost exclusively over  
27 email and telephone.

1           16. UCC-M was a human resources, billing, and accounting  
2 professional for defendant ONE ACCORD starting in or around November  
3 2004. UCC-M was responsible for preparing invoices for the  
4 "management fee" UCTN paid to defendant ONE ACCORD for billing and  
5 collection services UCTN contracted with Pacific Hospital to provide,  
6 but which defendant ONE ACCORD, in fact, provided to Pacific  
7 Hospital.

8           17. UCC-N was the surgical coordinator at defendant PERFORMANCE  
9 MEDICAL responsible for scheduling surgeries.

10           18. Defendant PERFORMANCE MEDICAL, through defendant ONE  
11 ACCORD, provided billing, administrative, and/or facility rental  
12 services to various managed "specialty" physicians, including UCC-O,  
13 a neurosurgeon; UCC-P, an orthopedic surgeon; and UCC-Q, a podiatrist  
14 (collectively, the "Performance Managed Specialty Physicians").

15           19. UCC-R was the General Counsel for Pacific Hospital and  
16 provided legal support to Pacific Hospital, PSPM, and related  
17 entities. (UCC-A through UCC-R are collectively referred to as "the  
18 UCCs".)

19           20. Molina Healthcare, Inc. ("Molina Healthcare") was a managed  
20 care company headquartered in Long Beach, California. In or about  
21 September 2009, UCC-A left PSPM to join Molina Healthcare's  
22 management team.

23           21. Pacific Hospital sold its assets to College Hospital of  
24 Long Beach ("College Hospital") in or about October 2013. College  
25 Hospital was affiliated with Molina Healthcare, and a Molina  
26 executive (the "Molina Executive") was hired to manage College  
27 Hospital's operations during the sale transition. UCC-A introduced  
28 the Molina Executive to Parker in or about September 2013 to discuss



1 a referral relationship involving defendants PERFORMANCE MEDICAL and  
2 ONE ACCORD, UCTN, and College Hospital.

3 22. Hospital C ("Hospital C") was located in Riverside,  
4 California. On or about October 1, 2013, defendant CARRICO and  
5 Parker solicited Hospital C's Chief Executive Officer ("Hospital C  
6 CEO") and Vice President of Business Development ("Hospital C VP") to  
7 enter into a referral relationship with defendants PERFORMANCE  
8 MEDICAL and ONE ACCORD and UCTN.

9 23. Hospital D was a hospital located in Marina Del Rey,  
10 California. On May 9, 2013, Parker solicited Hospital D's Director  
11 of Spine and Orthopedic Services ("Hospital D Director") to enter  
12 into a referral arrangement with defendants PERFORMANCE MEDICAL and  
13 ONE ACCORD and UCTN.

14 24. Hospital E was a 49-bed, long term acute care hospital  
15 located in Monrovia, California. In October 2013, Parker contacted  
16 Hospital E's Chairman of the Board ("Hospital E Chairman") to enter  
17 into a contractual relationships with UCTN.

18 DOL-OWCP

19 25. The Federal Employees' Compensation Act, Title 5, United  
20 States Code, Sections 8101, et seq. ("FECA") provided certain  
21 benefits to civilian federal employees, for wage-loss disability due  
22 to a traumatic injury or occupational disease sustained while working  
23 as a federal employee (the "FECA program"). Benefits available to  
24 injured employees included rehabilitation, medical, surgical,  
25 hospital, pharmaceutical, and supplies for treatment of an injury.

26 26. The Office of Workers' Compensation Programs ("OWCP"), a  
27 component of the Department of Labor ("DOL"), administered the FECA  
28

1 program, which was a federal workers' compensation program focused on  
2 return to work efforts.

3 27. When a qualified employee suffered a work-related injury,  
4 the employee filed a claim for coverage with OWCP, which then  
5 assigned the claimant an OWCP claim number. Injured employees had  
6 the initial choice of physician and could select any enrolled  
7 physician and hospital facility to provide necessary treatment.

8 28. To obtain reimbursement for services rendered to FECA  
9 claimants (i.e., patients or beneficiaries), a provider had to submit  
10 its claims for payment to DOL OWCP, using the beneficiary's OWCP  
11 claim number.

12 29. Billings submitted for medical services required specific  
13 forms. Hospital-based inpatient services were billed on a Uniform  
14 Bill (variously designated as an UB-04, CMS-1450, or OWCP-04). In  
15 contrast to hospital bills for FECA beneficiaries, claims for a  
16 physician's professional services (e.g., performing a surgery) were  
17 submitted for an accepted condition on the standard American Medical  
18 Association billing form HCFA-1500, also known as an OWCP-1500.

19 30. Billings for the FECA program were submitted by mail to DOL  
20 OWCP in London, Kentucky, or electronically through the Electronic  
21 Data Interchange. Affiliated Computer Services ("ACS") contracted  
22 with DOL OWCP to facilitate the processing and payment of FECA  
23 program claims. If all required information was included in a claim  
24 submission, DOL OWCP approved the billing, through ACS, and sent  
25 payment by mail or electronic funds transfer to the provider or  
26 hospital in accordance with an established fee schedule.

27 31. By submitting a claim for reimbursement to DOL OWCP, the  
28 provider certified that the service or product for which



1 reimbursement was sought was medically necessary, appropriate, and  
2 properly billed in accordance with accepted industry standards.

3 Health Care Programs

4 32. The FECA program was a "Federal health care program," as  
5 defined by 42 U.S.C. § 1320a-7b(f).

6 33. The FECA program and other insurance plans were "health  
7 care benefit programs," as defined in 18 U.S.C. § 24(b), that  
8 affected commerce.

9 34. The federal anti-kickback statute, 42 U.S.C. § 1320a-  
10 7b(b)(1) and (2), prohibited the solicitation or receipt and offering  
11 or payment of any remuneration in exchange for the referral of health  
12 care patients, services, or items.

13 Relevant California Laws Pertaining to Bribery

14 35. California law, including but not limited to the California  
15 Business and Professions Code and the California Insurance Code  
16 prohibited the offering, delivering, soliciting, or receiving of  
17 anything of value in return for referring a patient for medical  
18 services.

19 36. California Business & Professions Code Section 650  
20 prohibited the offer, delivery, receipt, or acceptance by certain  
21 licensees -- specifically including chiropractors and physicians --  
22 of any commission or other consideration, whether in the form of  
23 money or otherwise, as compensation or inducement for referring  
24 patients, clients, or customers to any person.

25 37. California Insurance Code Section 750(a) prohibited anyone  
26 who engaged in the practice of processing, presenting, or negotiating  
27 claims, including claims under policies of insurance, from offering,  
28 delivering, receiving, or accepting any commission or other

1 consideration, whether in the form of money or otherwise, as  
2 compensation or inducement to any person for the referral or  
3 procurement of clients, cases, patients, or customers. Defendant  
4 CARRICO and Parker, through defendants PERFORMANCE MEDICAL and ONE  
5 ACCORD (and purportedly UCTN), were engaged in the practice of  
6 processing, presenting, and negotiating claims covered under the FECA  
7 program and other health care benefit programs.

8 Fiduciary Duties and the Physician-Patient Relationship

9 38. A "fiduciary" obligation generally existed whenever one  
10 person -- a client -- placed special trust and confidence in another  
11 -- the fiduciary -- in reliance that the fiduciary would exercise his  
12 or her discretion and expertise with the utmost honesty and  
13 forthrightness in the interests of the client, such that the client  
14 could relax the care and vigilance which he or she would ordinarily  
15 exercise, and the fiduciary knowingly accepted that special trust and  
16 confidence and thereafter undertook to act on behalf of the client  
17 based on such reliance.

18 39. Medical professionals, including physicians and  
19 chiropractors, owed a fiduciary duty to their patients, requiring  
20 them to act in the best interest of their patients, and not for their  
21 own professional, pecuniary, or personal gain. Medical professionals  
22 owed a duty of honest services to their patients for decisions made  
23 relating to the medical care of those patients, including the  
24 informed choice of whether to undergo surgery and other medical  
25 procedures, as well as the selection of a provider and facility for  
26 such surgeries and procedures. Patients' right to honest services  
27 from medical professionals included the right not have these  
28 fiduciaries solicit, offer, or accept kickbacks and bribes connected

1 to the medical care of such patients.

2 B. OBJECTS OF THE CONSPIRACY

3 40. Beginning on a date unknown, but at least as early as June  
4 2004, and continuing through at least December 2013, in Los Angeles,  
5 Orange, and Riverside Counties, within the Central District of  
6 California, and elsewhere, defendant CARRICO, Parker, joined by  
7 defendant PERFORMANCE MEDICAL from no later than 2008 to at least in  
8 or about December 2013, defendant ONE ACCORD from no later than 2004  
9 to at least in or about December 2013, along with Drobot, Canedo,  
10 Hammer, the UCCs, and others known and unknown to the Grand Jury at  
11 various times between 2004 and 2013, inclusive, knowingly combined,  
12 conspired, and agreed to commit the following offenses against the  
13 United States:

14 a. Honest Services Mail and Wire Fraud, in violation of  
15 Title 18, United States Code, Sections 1341, 1343, and 1346;

16 b. Mail and Wire Fraud, in violation of Title 18, United  
17 States Code, Sections 1341 and 1343;

18 c. Concealment Money Laundering, in violation of Title  
19 18, United States Code, Section 1956(a)(1)(B)(i);

20 d. Monetary Transactions in Property Derived from  
21 Specified Unlawful Activity, in violation of Title 18, United States  
22 Code, Section 1957;

23 e. Knowingly and willfully soliciting and receiving  
24 remuneration in return for referring an individual to a person for  
25 the furnishing or arranging for the furnishing of any item or service  
26 for which payment may be made in whole or in part under a Federal  
27 health care program, in violation of Title 42, United States Code,  
28 Section 1320a-7b(b)(1)(A); and

1           f.     Knowingly and willfully offering to pay and paying any  
2 remuneration to any person to induce such person to refer an  
3 individual to a person for the furnishing or arranging for the  
4 furnishing of any item or service for which payment may be made  
5 in whole or in part under a Federal health care program, in violation  
6 of Title 42, United States Code, Section 1320a-7b(b)(2)(A).

7     C.     MANNER AND MEANS OF THE CONSPIRACY

8           41.   The objects of the conspiracy were to be carried out, and  
9 were carried out, in the following ways, among others:

10           a.    Parker, through UCTN, and others would develop  
11 relationships and interface with unions associated with the United  
12 States Postal Service and other federal employers to obtain referrals  
13 of employees who were injured on the job and potentially covered  
14 under the FECA program.

15           b.    As a result of Parker's efforts to generate patient  
16 referrals, federal employees with potentially covered injuries would  
17 be steered to defendant PERFORMANCE MEDICAL, through UCTN, for  
18 medical treatment.

19           c.    These referred patients would receive medical  
20 treatment at defendant PERFORMANCE MEDICAL. A number of these  
21 patients would be further referred to a hospital for spinal  
22 surgeries, other types of surgeries, magnetic resonance imaging  
23 ("MRI"), pain management, and other services, to be paid through the  
24 FECA program and other insurance plans.

25           d.    Defendant CARRICO and Parker would solicit various  
26 hospitals, including Pacific Hospital, College Hospital, Hospital C,  
27 Hospital D, and Hospital E (collectively, the "Kickback Solicited  
28 Hospitals"), to engage in an illegal kickback relationship such that

1 defendants PERFORMANCE MEDICAL and ONE ACCORD would refer patients  
2 covered under the FECA program and other insurance plans to a  
3 Kickback Solicited Hospital if the Kickback Solicited Hospital agreed  
4 to pay kickbacks and bribes to defendant CARRICO and Parker.

5 e. The kickback and bribe relationship with the Kickback  
6 Solicited Hospitals would be facilitated and disguised by defendant  
7 CARRICO and Parker through a series of intermediate relationships  
8 involving: (1) the Kickback Solicited Hospitals and UCTN; (2)  
9 defendant CARRICO and Parker on the one hand, and defendants  
10 PERFORMANCE MEDICAL and ONE ACCORD and UCTN on the other hand; (3)  
11 defendants PERFORMANCE MEDICAL and ONE ACCORD and the Performance  
12 Managed Specialty Physicians; and (4) the Performance Managed  
13 Specialty Physicians and the Kickback Solicited Hospitals.

14 Defendant CARRICO and Parker's Relationship  
15 with the Kickback Solicited Hospitals

16 f. Parker, in coordination with defendant CARRICO, would  
17 approach a Kickback Solicited Hospital through a "marketer"  
18 affiliated with the hospital and/or through direct contact with one  
19 or more executives at the hospital. Defendant CARRICO would  
20 occasionally accompany Parker to the "pitch" or solicitation meeting  
21 with the hospital.

22 g. During the "pitch" or solicitation meeting, Parker  
23 and, if present, defendant CARRICO, would generally present a  
24 "package deal" or "program" to a Kickback Solicited Hospital,  
25 designed and intended to induce a Kickback Solicited Hospital to pay  
26 kickbacks and bribes for the referral of patients of defendant  
27 PERFORMANCE MEDICAL.

28 h. The "package deal" or "program" pitched to a Kickback

1 Solicited Hospital would generally entail and highlight:

2 i. The nature of defendant CARRICO's familial  
3 (brother-in-law) relationship with Parker;

4 ii. defendant CARRICO's ownership and/or operation of  
5 clinics in Southern California (i.e., defendant PERFORMANCE MEDICAL  
6 clinics);

7 iii. Arrangements UCTN or defendants PERFORMANCE  
8 MEDICAL and ONE ACCORD had with the United States Postal Service  
9 purportedly facilitating the referral of injured postal employees to  
10 defendant PERFORMANCE MEDICAL (i.e., a captive patient base);

11 iv. As part of the treatment of injured federal  
12 employees at the defendant PERFORMANCE MEDICAL clinics, the need for  
13 patients to undergo surgeries and other medical procedures at a  
14 hospital (i.e., a significant surgical referral source for the  
15 Kickback Solicited Hospital);

16 v. Defendant CARRICO and Parker's control over  
17 patient referrals and desire to have surgeries and other financially  
18 lucrative medical procedures covered under the FECA program performed  
19 at a Kickback Solicited Hospital; and

20 vi. UCTN's experience with the FECA program that  
21 would facilitate the referral of patients with pre-approved surgery  
22 authorizations to the Kickback Solicited Hospital (despite the fact  
23 that the physician-provider, rather than the hospital facility, was  
24 required to obtain a surgical authorization from DOL OWCP).

25 i. In exchange for the Kickback Solicited Hospital  
26 entering into a contractual agreement with UCTN, and the associated  
27 payment or fee specified in such contract, defendant CARRICO and  
28 Parker, through defendants PERFORMANCE MEDICAL and ONE ACCORD, would



1 refer or cause the referral of patients to the Kickback Solicited  
2 Hospital for surgeries and other medical services.

3 j. The referral arrangement between defendant CARRICO and  
4 Parker, on the one hand, and the Kickback Solicited Hospital, on the  
5 other hand, would be disguised or concealed in one or more written  
6 agreements, including a purported "Management Services Agreement"  
7 between UCTN and the Kickback Solicited Hospital.

8 k. The Management Services Agreements ("MSAs") would  
9 purport to require UCTN to assist a Kickback Solicited Hospital with  
10 billing and collection services for FECA program claims.

11 l. The MSAs would generally:

12 i. Provide that UCTN shall "at its expense, provide  
13 clerical, managerial, and administrative personnel" to perform  
14 billing and collection services for a Kickback Solicited Hospital's  
15 FECA program claims;

16 ii. With respect to the billing services:

17 (1) Prior to 2012, the MSAs would falsely state  
18 that UCTN would "bill" for all patients covered under the FECA  
19 program and treated at the Kickback Solicited Hospital, while, in  
20 reality, the Kickback Solicited Hospital would generate all of its  
21 own FECA program billings and forward them to defendant ONE ACCORD  
22 for review; or

23 (2) From 2012 onwards, the MSAs would state that  
24 UCTN would not generate any billings for the Kickback Solicited  
25 Hospital, such that the hospital, through its billing department,  
26 would still absorb the cost of billing for insurance reimbursement,  
27 which UCTN would "review";

28 iii. Falsely represent that all personnel performing

1 billing and collection services under the MSAs were UCTN employees,  
2 when, in reality, UCTN was effectively a "marketing" or "business  
3 development" arm of defendants PERFORMANCE MEDICAL and ONE ACCORD,  
4 which would pay defendant ONE ACCORD to perform all billing and  
5 collection services for the Kickback Solicited Hospital;

6           iv. In an attempt to justify the purported billing  
7 and collection fee specified in the MSAs, identify redundant services  
8 with nominal or no value-added benefit to the Kickback Solicited  
9 Hospital, which would already have a fully functioning billing and  
10 collection department rendering the same general services. For  
11 example, UCTN would be designated as having the sole responsibility  
12 for "collecting" on the Kickback Solicited Hospital's FECA program  
13 claims, when, in reality, a Kickback Solicited Hospital, such as  
14 Pacific Hospital or Hospital C, would have existing billing and  
15 collection departments covering all relevant health care benefit  
16 programs. Moreover, FECA program payments on pre-authorized  
17 surgeries was virtually automatic, and required de minimis  
18 "collection" effort compared to certain other health care benefit  
19 programs; and

20           v. Require the Kickback Solicited Hospital to pay an  
21 exorbitant fee far exceeding the fair market value of any billing,  
22 collection, or any other legitimate benefit -- unrelated to a patient  
23 referral -- UCTN would provide, or would purport to provide, to the  
24 Kickback Solicited Hospital. While the fee specified in the MSAs  
25 varied over time -- ranging from a percentage (e.g., 30%) of the  
26 hospital's collections on FECA program claims to fixed monthly fees  
27 (e.g., \$55,000; \$75,000; \$30,000) -- defendant CARRICO and Parker  
28 established and understood the fee to be an inducement and

1 compensation, in whole or part, for the referral of patients from  
2 defendant PERFORMANCE MEDICAL to the Kickback Solicited Hospital.

3 Relationship Between Defendant CARRICO and Parker,  
4 UCTN, and defendants PERFORMANCE MEDICAL and ONE ACCORD

5 m. To create and maintain a false appearance of  
6 separation between defendants PERFORMANCE MEDICAL and ONE ACCORD (a  
7 referral source) and a Kickback Solicited Hospital (a kickback  
8 payer), defendant CARRICO and Parker would require that a Kickback  
9 Solicited Hospital enter into a contractual relationship with Parker,  
10 through UCTN, to conceal and disguise the nature, ownership, and  
11 control of payments from the Kickback Solicited Hospital, which would  
12 be made to induce the referral of patients of defendant PERFORMANCE  
13 MEDICAL.

14 n. Shortly after a Kickback Solicited Hospital would make  
15 a kickback payment to UCTN under the guise of a contractual  
16 relationship for billing and collection services, UCTN would conduct  
17 an additional financial transaction to share a portion of the  
18 kickback tainted proceeds with defendant CARRICO. Defendant CARRICO  
19 and Parker would devise various arrangements for the transfer of such  
20 proceeds from UCTN to defendant ONE ACCORD.

21 o. These arrangements would require UCTN to compensate  
22 defendant ONE ACCORD to perform all of the billing and collection  
23 services UCTN obligated itself to provide a Kickback Solicited  
24 Hospital under the management services agreements.

25 p. The payments under these functionally internal  
26 agreements between UCTN and defendant ONE ACCORD would be for varying  
27 amounts over time that would, in practice, be calculated, at least  
28 through 2011, as a percentage of the amount of kickback and bribe

1 proceeds UCTN would receive from a Kickback Solicited Hospital. The  
2 distribution of these tainted proceeds from UCTN to defendant ONE  
3 ACCORD would occasionally involve financial transactions exceeding  
4 \$10,000.

5 q. Despite the fact that defendant ONE ACCORD would  
6 perform all of the billing and collection services called for under  
7 the management services agreements, UCTN would only be required to  
8 share a small fraction of the amount it would receive from a Kickback  
9 Solicited Hospital with defendant ONE ACCORD.

10 r. Defendant CARRICO would be aware of the monthly  
11 kickback and bribe proceeds a Kickback Solicited Hospital would pay  
12 to Parker, through UCTN.

13 s. Parker would retain the vast majority of the kickback  
14 and bribe tainted proceeds from a Kickback Solicited Hospital as  
15 remuneration for Parker steering FECA program patients from unions  
16 and other sources to defendant PERFORMANCE MEDICAL, which, at the  
17 direction and control of defendant CARRICO and Parker, would refer  
18 these patients, through the Performance Managed Specialty Physicians,  
19 to a Kickback Solicited Hospital.

20 t. The foregoing indirect kickback and bribe arrangement  
21 would allow defendant CARRICO and Parker to avoid law enforcement  
22 scrutiny as defendant CARRICO, who officially owned and/or operated  
23 defendants PERFORMANCE MEDICAL and ONE ACCORD, would not make any  
24 direct payments to UCTN, an entity which steered patient referrals to  
25 defendant PERFORMANCE MEDICAL. More specifically, prior to June  
26 2004, defendant CARRICO would cause defendants PERFORMANCE MEDICAL  
27 and ONE ACCORD to directly pay Parker, through UCTN, a percentage of  
28 defendant PERFORMANCE MEDICAL's collections on FECA program patients

1 that UCTN steered to defendant PERFORMANCE MEDICAL. After UCTN  
2 entered into an MSA with Pacific Hospital, UCTN would no longer  
3 receive any payments from defendant PERFORMANCE MEDICAL. Instead,  
4 UCTN would obtain kickback and bribe proceeds from a Kickback  
5 Solicited Hospital disguised under a Management Services Agreement as  
6 billing and collection fees, and then UCTN would pay defendant ONE  
7 ACCORD a small and varying portion of such fee (e.g., 5% to 6%, or,  
8 later, a comparable fixed monthly amount). Put differently,  
9 defendant ONE ACCORD would perform all of the billing and collection  
10 services (which UCTN would purport to do in the applicable MSA) for a  
11 small fraction of the total kickback and bribe proceeds a Kickback  
12 Solicited Hospital would pay to UCTN. Defendant CARRICO would allow  
13 Parker to retain the remaining amount (approximately 95%) of the  
14 kickback proceeds from a Kickback Solicited Hospital in exchange for  
15 Parker steering FECA program patients to defendant PERFORMANCE  
16 MEDICAL.

17 u. Defendant CARRICO and Parker understood that their  
18 payment arrangements, purporting to flow from outwardly arms-length  
19 relationships between a Kickback Solicited Hospital and UCTN on the  
20 one hand, and UCTN and defendant ONE ACCORD on the other hand, would  
21 be used to distribute kickback and bribe proceeds from Kickback  
22 Solicited Hospitals, and to induce Parker to steer federal employee-  
23 patients to defendant PERFORMANCE MEDICAL, which, in turn, would bill  
24 substantial amounts to the FECA program for treating these patients,  
25 and further refer such patients to a Kickback Solicited Hospital to  
26 sustain the overall referral arrangements.

27 v. Defendant CARRICO would also benefit from the referral  
28 arrangements as, based on the payments Parker would receive from a

1 Kickback Solicited Hospital, defendants CARRICO, PERFORMANCE MEDICAL,  
2 and ONE ACCORD would not otherwise compensate Parker for his work co-  
3 managing and operating defendants PERFORMANCE MEDICAL and ONE ACCORD.

4 Relationship Between Defendants PERFORMANCE MEDICAL and ONE ACCORD  
5 and the Performance Managed Specialty Physicians

6 w. To facilitate referral arrangements with Kickback  
7 Solicited Hospitals that would pay kickbacks and bribes for patient  
8 referrals, defendant CARRICO and Parker would cause defendant ONE  
9 ACCORD to negotiate various agreements with the Performance Managed  
10 Specialty Physicians.

11 x. These agreements would include a "Management  
12 Agreement" and a "Facility Rental and Services Agreement" that would  
13 be entered into between defendant ONE ACCORD, through defendant  
14 CARRICO, and the individual Performance Managed Specialty Physicians,  
15 including UCC-O, UCC-P, and UCC-Q.

16 y. As a central, but unwritten, part of the arrangement  
17 with the Performance Managed Specialty Physicians, defendant CARRICO  
18 and Parker would exercise control over where the Performance Managed  
19 Specialty Physicians performed hospital-based surgeries and medical  
20 procedures on patients of defendant PERFORMANCE MEDICAL.

21 z. To facilitate a referral arrangement with a Kickback  
22 Solicited Hospital that defendant CARRICO and Parker anticipated  
23 would enter into a contractual agreement with UCTN, defendant CARRICO  
24 and Parker would also instruct the Performance Managed Specialty  
25 Physicians to obtain hospital privileges (to the extent the  
26 Performance Managed Specialty Physicians did not already have such  
27 privileges) and perform surgeries and other medical procedures at  
28 such hospital.



1                   Relationship Between the Performance Managed

2                   Specialty Physicians and Pacific Hospital

3                   aa. Any Kickback Solicited Hospital that would, in fact,  
4 enter into a referral arrangement with defendant CARRICO and Parker  
5 would have or develop a relationship with one or more of the  
6 Performance Managed Specialty Physicians to further facilitate  
7 patient referrals from defendant PERFORMANCE MEDICAL.

8                   bb. At least one Kickback Solicited Hospital -- Pacific  
9 Hospital -- would, in fact, enter into a kickback relationship with  
10 defendant CARRICO and Parker, nominally through UCTN, to obtain  
11 patient referrals from defendant PERFORMANCE MEDICAL.

12                  cc. Drobot, UCC-A, and other co-conspirators would  
13 initially introduce several of the Performance Managed Specialty  
14 Physicians, including UCC-O and UCC-P, to defendant CARRICO and  
15 Parker for placement within defendants PERFORMANCE MEDICAL and ONE  
16 ACCORD (i.e., to become Performance Managed Specialty Physicians).

17                  dd. To further facilitate the referral of patients from  
18 defendant PERFORMANCE MEDICAL to Pacific Hospital, Drobot and other  
19 co-conspirators, through PSPM and related-entities, would develop  
20 relationships with several of the Performance Managed Specialty  
21 Physicians, specifically including UCC-O. Defendant CARRICO and  
22 Parker would have knowledge of, encourage, or facilitate  
23 relationships between Drobot and the Performance Managed Specialty  
24 Physicians.

25                  Other Aspects of the Relationship Among Defendant CARRICO, Parker,

26                  and the Kickback Solicited Hospitals

27                  ee. Medical professionals who were responsible for  
28 treating or otherwise rendering care to patients of any Kickback

1 Solicited Hospital and defendant PERFORMANCE MEDICAL, including  
2 defendant CARRICO and the Performance Managed Specialty Physicians,  
3 owed a duty of honest services to those patients for decisions made  
4 relating to medical care and treatment, including the informed choice  
5 of whether to undergo surgery and other medical procedures, as well  
6 as the choice of a treatment provider and facility for such surgeries  
7 and procedures. The fact that defendant CARRICO and Parker would  
8 solicit or receive inducements to direct, instruct, and cause the  
9 Performance Managed Specialty Physicians and other medical  
10 professionals responsible for the care of patients of defendant  
11 PERFORMANCE MEDICAL to refer such patients to a Kickback Solicited  
12 Hospital for surgeries and other medical services would deprive the  
13 patients of their right to honest services and would be material to  
14 these patients who were referred to a Kickback Solicited Hospital  
15 after treatment at defendant PERFORMANCE MEDICAL.

16 ff. By mail and electronically, a Kickback Solicited  
17 Hospital, the Performance Managed Specialty Physicians, and defendant  
18 PERFORMANCE MEDICAL would process, finalize, and formally submit  
19 claims to DOL OWCP and other health care benefit programs: (1) for,  
20 with respect to the hospital, payment of the facility fee and related  
21 hospital costs; (2) related to the Performance Managed Specialty  
22 Physicians, for payment of professional fees associated with  
23 surgeries and other medical procedures performed at the Kickback  
24 Solicited Hospital; and (3) with respect to defendant PERFORMANCE  
25 MEDICAL, for patient visits, therapy sessions, durable medical  
26 equipment, and other items or services rendered at the defendant  
27 PERFORMANCE MEDICAL clinics.

1           gg. As defendant CARRICO and Parker and other co-  
2 conspirators knew and intended, and as was reasonably foreseeable to  
3 them, in using the mails, wire communications, and other facilities  
4 in interstate commerce to treat patients, communicate regarding  
5 patient referrals and kickback payments, and submit claims for  
6 payment, Drobot, defendant CARRICO, and Parker, and other co-  
7 conspirators solicited, offered, received, and paid kickbacks that  
8 were material to patients and health care benefit programs.

9           hh. The FECA program and other health care benefit  
10 programs would routinely wire or mail funds from outside of  
11 California as payment on claim submissions from defendant PERFORMANCE  
12 MEDICAL, the Performance Managed Specialty Physicians, and Kickback  
13 Solicited Hospitals.

14           ii. Any Kickback Solicited Hospital that would, in fact,  
15 enter into a referral arrangement, would provide remuneration to  
16 defendant CARRICO and Parker, through UCTN, by mail and other means.

17           jj. Defendant CARRICO and Parker would cause co-  
18 conspirators to keep records of the number of surgeries and certain  
19 other medical services performed at a Kickback Solicited Hospital  
20 that involved patients referred from defendant PERFORMANCE MEDICAL  
21 and covered under the FECA program, as well as the remuneration that  
22 would be provided to defendant CARRICO and Parker in connection with  
23 those referrals.

24 D. EFFECTS OF THE CONSPIRACY

25           42. Had the FECA program and other health care benefit programs  
26 known the true facts regarding the payment of kickbacks and bribes  
27 for the referral of patients for surgeries and other medical services  
28 performed at Pacific Hospital, they would have subjected the claims

1 to additional review, would not have paid the claims, and/or would  
2 have paid a lesser amount on the claims.

3 43. Between June 2004 and December 2013, Pacific Hospital  
4 submitted over \$45 million in claims to DOL-OWCP under the FECA  
5 program for surgeries, treatments, and other services for patients  
6 that defendant CARRICO and Parker referred, or caused the referral  
7 of, to Pacific Hospital. This included approximately \$34 million in  
8 such claims between September 2009 and December 2013.

9 44. Based on those claims, Pacific Hospital was paid over \$23  
10 million in reimbursements from the FECA program between June 2004 and  
11 December 2013, including approximately \$16 million in payments  
12 between September 2009 and December 2013. In turn, Pacific Hospital  
13 remunerated defendant CARRICO and Parker, through UCTN, approximately  
14 \$5,250,000, primarily for the corresponding patient referrals covered  
15 under the FECA program. UCTN further distributed approximately  
16 \$800,000 of this amount to defendant ONE ACCORD for performing the  
17 billing and collection services in connection with Pacific Hospital.

18 45. Independent and apart from Pacific Hospital's claims for  
19 reimbursement, between June 2004 and December 2013, defendant CARRICO  
20 and Parker caused defendants PERFORMANCE MEDICAL and ONE ACCORD to  
21 bill the FECA program, on behalf of defendant PERFORMANCE MEDICAL and  
22 the Performance Managed Specialty Physicians, approximately \$35  
23 million for the treatment and care of patients of defendant  
24 PERFORMANCE MEDICAL, who were referred to Pacific Hospital for  
25 surgeries, treatments, and other services. This included  
26 approximately \$19 million in such claims between September 2009 and  
27 December 2013.

1           46. Based on the claims submitted by defendants PERFORMANCE  
2 MEDICAL and ONE ACCORD, defendant PERFORMANCE MEDICAL and the  
3 Performance Managed Specialty Physicians were paid over \$33 million  
4 in reimbursements from the FECA program between June 2004 and  
5 December 2013, including approximately \$18 million in payments  
6 between September 2009 and December 2013.

7           47. In total, Pacific Hospital and defendants PERFORMANCE  
8 MEDICAL and ONE ACCORD submitted approximately \$83 million in claims  
9 to DOL-OWCP under the FECA program and were paid approximately \$57  
10 million in connection with the referral of patients of defendant  
11 PERFORMANCE MEDICAL, which defendant CARRICO and Parker controlled,  
12 facilitated, or caused to go to Pacific Hospital.

13 E. OVERT ACTS

14           48. On or about the following dates, in furtherance of the  
15 conspiracy and to accomplish its objects, defendants CARRICO,  
16 PERFORMANCE MEDICAL, and ONE ACCORD, along with Parker, the UCCs, and  
17 other co-conspirators known and unknown to the Grand Jury, committed  
18 various overt acts within the Central District of California, and  
19 elsewhere, including, but not limited to, the following:

20           Overt Act No. 1: In early 2004, UCC-E solicited defendant  
21 PERFORMANCE MEDICAL for patient referrals in connection with  
22 "marketing" for Pacific Hospital. After UCC-E was directed to Parker  
23 for "business development" on behalf of defendants PERFORMANCE  
24 MEDICAL and ONE ACCORD, UCC-E introduced Parker to UCC-A  
25 (representing Pacific Hospital and PSPM) for the purpose of arranging  
26 for defendant PERFORMANCE MEDICAL to send patient referrals to  
27 Pacific Hospital.

1        Overt Act No. 2:        On or about March 19, 2004, defendant  
2 CARRICO caused the Medical Board of California to issue a fictitious  
3 name permit to Performance Health Medical Group, Inc., located at  
4 21707 Hawthorne Boulevard in Torrance, California. (In December  
5 2003, defendant CARRICO caused the submission of the application  
6 underlying the fictitious name permit, which listed defendant CARRICO  
7 as the 49% owner of Performance Health Medical Group, Inc.)

8        Overt Act No. 3:        On or about May 20, 2004, UCC-A emailed UCC-  
9 F, copying Drobot and UCC-E, writing:

10        Per Mr. Drobot we have entered into an agreement with Union  
11        Choice Therapy Network to bill and collect on the Federal postal  
12        workers. [UCC-E] will be contacting you regarding setting up a  
13        meeting with [Parker]. Mr. Drobot has requested that he also  
14        re-bill all outstanding claims. Thank you.

15        Overt Act No. 4:        As part of the email chain identified in the  
16 preceding Overt Act, UCC-E emailed UCC-F on or about May 28, 2004,  
17 writing, in part, "[I] am sending you the listing of patients that I  
18 have referenced in the past for Federal work. . ." UCC-E then listed  
19 several doctors, including defendant CARRICO, that were associated  
20 with defendants PERFORMANCE MEDICAL and ONE ACCORD. UCC-E further  
21 wrote, "There were not as many as were mentioned yesterday. I think  
22 the total was approx. 125 patient[s] from 2002 to present. . ."

23        Overt Act No. 5:        On a date unknown, UCTN entered into a  
24 "Management Services Agreement" with Pacific Hospital, effective June  
25 1, 2004.

26        Overt Act No. 6:        As of December 14, 2004, Parker possessed at  
27 least two Microsoft Word documents on his Dell laptop computer  
28 located at defendants PERFORMANCE MEDICAL and ONE ACCORD appearing to



1 be written contracts involving Pacific Hospital: one unsigned draft  
2 "Marketing Services Agreement" and another "Management Services  
3 Agreement." The contents of both these documents involved UCTN  
4 rendering services to Pacific Hospital. Parker's Dell laptop also  
5 had blank "boiler plate" or template versions of both these  
6 agreements (i.e., the marketing and management agreements) that did  
7 not identify a specific contracting party other than UCTN.

8 Overt Act No. 7: On or about May 17, 2005, Hammer emailed  
9 UCC-I with the subject, "Union Choice Billing," with a spreadsheet  
10 titled "Union choice Reconcil[il]ation.xls." The body of the email  
11 referenced a "schedule of the Union Choice and One Accord balances  
12 due." The attached schedule identified amounts defendant ONE ACCORD  
13 owed PSPM for rent and related expenses at a Sherman Oaks office, and  
14 amounts Pacific Hospital owed UCTN based on specifically identified  
15 monthly collection invoices.

16 Overt Act No. 8: On or about August 15, 2005, a  
17 representative of defendants PERFORMANCE MEDICAL and ONE ACCORD  
18 emailed Parker regarding "PHLB CORRECTED TOTALS," and inquired  
19 whether she should account for two patients that Pacific Hospital  
20 provided in a list of payments that Pacific Hospital had received  
21 from DOL OWCP, but who were not patients of defendant PERFORMANCE  
22 MEDICAL. Parker responded: "We are interested in only the patients  
23 that we manage, bill, and collected for. So other patients and  
24 collections we are still discussing if we can help them."

25 Overt Act No. 9: On or about November 16 and 17, 2005, Parker  
26 emailed UCC-H writing that he (Parker) had been "asked to collect any  
27 of the Federal OWCP outstanding AR" for Pacific Hospital and  
28 requested a listing of the outstanding FECA program accounts

1 receivables. UCC-H responded: "Don't you already have the accounts  
2 that you are working on?" Parker replied:

3 Yes for the doctors that we are managing. [But] I'm referring  
4 to all or any other federal work-comp outstanding accounts  
5 receivable. You can include all of the doctors that we manage  
6 as well, because you will have a complete comprehensive list.

7 Overt Act No. 10: On or about March 14, 2006, Parker emailed  
8 UCC-A and thanked her for introducing "us" to UCC-O. Parker further  
9 discussed surgeries that were canceled by another spine surgeon at  
10 defendants PERFORMANCE MEDICAL and ONE ACCORD and the number of  
11 surgeries that are scheduled at Pacific Hospital, "two Low Back  
12 surgeries scheduled and at least 4 other extremity surgeries as  
13 well!" Parker continued, "We are hopping [sic] that [UCC-O] will be  
14 the solution." Parker then asked if UCC-A could ask UCC-H to  
15 expedite several invoices.

16 Overt Act No. 11: On or about November 2, 2006, Parker emailed  
17 an employee of Pacific Hospital, copied UCC-J, and wrote:

18 Please review the enclosed list of Federal patients that have  
19 received surgeries/procedures at the Pain Center performed by  
20 [UCC-Q] and [another doctor associated with defendants  
21 PERFORMANCE MEDICAL and ONE ACCORD]. The payor is the  
22 Department Of Labor, Office of Workers Compensation Programs  
23 (OWCP). Union Choice Therapy Network is contracted with Pacific  
24 Hospital for billing, collection and management of these  
25 patients. We manage doctors[:] [UCC-Q], [UCC-O], [and several  
26 other doctors associated with defendants PERFORMANCE MEDICAL and  
27 ONE ACCORD]. . .

1        Overt Act No. 12:    On or about February 13, 2007, UCC-H emailed  
2 Parker inquiring about two collection invoices from Union Choice sent  
3 to Pacific Hospital. One invoice (#1039) specified a 30% collection  
4 fee and the second invoice (#1041) specified a 20% collection fee.  
5 UCC-H asked whether the 20% collection fee cited in invoice #1041 was  
6 an error. Parker responded: "Regarding #1041, that Invoice is paid  
7 under the new Agreement for all Non-Managed patients [referring to  
8 patients that were not treated at defendant PERFORMANCE MEDICAL] at  
9 20% of collection."

10       Overt Act No. 13:    On or about October 26, 2007, Parker,  
11 through UCTN, entered into a "Management Services Agreement" with  
12 PHLB-MRI that obligated UCTN to provide billing and collection  
13 services limited to PHLB-MRI's FECA program claims, in exchange for  
14 thirty percent (30%) of PHLB-MRI's collections. The contract  
15 identified a January 1, 2007 effective date.

16       Overt Act No. 14:    On or about November 16, 2007, Canedo  
17 emailed various Pacific Hospital and PSPM executives and employees an  
18 executed copy of the "Management Services Agreement" PHLB-MRI entered  
19 into with UCTN, effective January 1, 2007.

20       Overt Act No. 15:    On or about November 2, 2007, defendant  
21 CARRICO caused defendant ONE ACCORD to deposit a \$13,541.94 check  
22 from Parker, through UCTN, which represented a portion of the amount  
23 Pacific Hospital paid UCTN related to the hospital's FECA program  
24 collections in May 2007 and June 2007.

25       Overt Act No. 16:    On or about December 19, 2007, UCC-J emailed  
26 Parker, with the subject, "SPINE REFERRALS," writing: "Here is the  
27 number of spine referrals to the orthos over the past 6 months. I  
28 went back through all of the final schedules since June and here is

1 what is showed[.]” The email then identified two Performance Managed  
2 Specialty Physicians and the number of spinal surgeries they  
3 performed during the relevant period.

4 Overt Act No. 17: On or about November 5, 2007, UCC-M sent  
5 defendant CARRICO an email with the subject “UCTN- History of Pmts,”  
6 attaching the spreadsheet “UCTN Payments110507.xls,” which reflected  
7 payments UCTN made to defendant ONE ACCORD between January 2006 and  
8 November 2007, along with the date of deposit, purpose of the payment  
9 (often simply referencing specific months (e.g. “Oct’05” or  
10 “Feb/Mar’07”)), and the amount of each payment.

11 Overt Act No. 18: On or about February 16, 2008, defendant  
12 CARRICO emailed UCC-M inquiring: “Have you emailed [Parker] the new  
13 re[m]u[n]eration letter? Did you /cc [UCC-D]?”

14 Overt Act No. 19: On or about February 16, 2008, UCC-M emailed  
15 Parker, copying defendant CARRICO and UCC-D, with the subject  
16 “Payroll compensation adjustment.” In part, the email highlighted  
17 that, other than for purposes of receiving health insurance, Parker  
18 was not a bona fide employee of, and was not otherwise compensated  
19 by, defendants ONE ACCORD or PERFORMANCE MEDICAL for any services he  
20 rendered to these entities. UCC-M wrote, in relevant part:

21 William, In order to keep you and your family on health  
22 insurance, we must have you work the equivalent of 32 hours per  
23 week at \$8.25 per hour. At 26 pay periods per year that is  
24 equal to \$1,144.00 per month. Each check will be a gross amount  
25 of \$528.00 per pay period. Your insurance benefits total  
26 \$482.50 per pay period and are “pre tax”. Please plan  
27 accordingly as this will be effective 2/11/07 and reflect on  
28 your paycheck dated 2/29/08. We will make [UCC-C]’s date of

1 "resignation" effective 2/8/08, so she will not receive a  
2 paycheck on the 29th. . . .

3 Regarding the cost for billing services to Pacific Hospital,  
4 ([UCC-L], [UCC-J], Barbara, Etc.), I am told the figure is  
5 \$3,000 per month. Therefore, you will need to reimburse One  
6 Accord Management \$4,144.00 per month in addition to 20% of your  
7 30% collections. Please send us a check fo[r] \$4111.00 on the  
8 12th of each month. In addition, could we get an accurate  
9 account of the outstanding payments from Pacific Hospital and  
10 their plan for repayment.

11 1,144.00 Monthly 'Salary'

12 3,000.00 Cost for billing services

13 4,144.00

14 + 20% Collections . . .

15 Overt Act No. 20: On or about March 11, 2008, defendant  
16 CARRICO emailed Parker, with the subject "\$3000 ancillary costs,"  
17 writing:

18 Hi Willy, Regarding the costs of [UCC-J], etc., to assist in the  
19 surgical procedures, I am willing to split the cost with you.

20 That would mean \$1500 each. Let me know what you decide.

21 Parker responded to defendant CARRICO, "OK", and added UCC-M to the  
22 email chain. UCC-M then responded to defendant CARRICO only,  
23 removing Parker from the email chain and wrote:

24 Dr. C, So then the total cost per month will be:

25 1144.00 - Payroll reimbursement

26 1500.00 - Collection services

27 3644.00 [math error in original, should read 2644.00]

28 + 20% on collections

1 Please confirm.

2 Overt Act No. 21: On or about July 15, 2008, UCC-H emailed  
3 Parker a "New MRI Ownership Agreement" between Drobot and Paul  
4 Randall concerning the ownership status of PHLB-MRI. UCC-H further  
5 directed Parker to resubmit outstanding MRI invoices per the  
6 agreement. Parker then emailed UCC-A for clarification regarding re-  
7 billing. After a number of additional emails, UCC-H advised Parker  
8 that if he billed "The Ninth Hole, LLC," Pacific Hospital would pay  
9 the invoice and collect the payment from Paul Randall.

10 Overt Act No. 22: On or about August 7, 2008, Canedo emailed  
11 UCC-H and others attaching 13 different invoices from UCTN related to  
12 MRI collections noting that "All of these prior [UCTN] invoices will  
13 be paid by PHLB and withheld from Paul Randall's money."

14 Overt Act No. 23: Between January 7 and January 9, 2009,  
15 defendant CARRICO, Parker, UCC-C, UCC-D, and UCC-M were part of an  
16 email chain concerning the accounting of payments from UCTN to  
17 defendant ONE ACCORD related to billing and collection services  
18 rendered to Pacific Hospital. In part of the email chain, on or  
19 about January 8, 2009, UCC-C wrote the following to UCC-M:

20 "[UCC-M], What is becoming difficult about this is you are  
21 expecting different and additional information from what I  
22 originally offered to send to Dr Carrico. When I spoke to him I  
23 said I would send an accounting of everything that was paid in  
24 2008. I believe I was very specific regarding all the  
25 information I sent you. Which was only 2 pages and included all  
26 the check numbers and Invoices that were paid and what's  
27 outstanding in 2008 as well as the Payroll reimbursement paid to  
28 [UCC-L].



1 . . .

2 Regarding Outstanding 2007 Invoices-Please see the attached  
3 Invoices that represent Ancillary Services that were included in  
4 the original Contract with PHLB [Pacific Hospital]. Sometime in  
5 2007 we had to re-bill them to separate companies that purchased  
6 the accounts receivable from PHLB[.]

7 Overt Act No. 24: On or about January 9, 2009, as part of the  
8 email chain identified in the preceding Overt Act, UCC-C further  
9 replied:

10 We were paying \$1 an hour for [UCC-L] in 2007 until we started  
11 paying the \$1500 a month. When [UCC-L] requested a raise or  
12 bonus in 2008 for collecting Pacific [Hospital] we agreed to pay  
13 for the raise which took [e]ffect March 2008. Thanks. [UCC-C]

14 Overt Act No. 25: On or about January 9, 2009, defendant  
15 CARRICO emailed UCC-C writing:

16 Hi [UCC-C], When we met in December, I gave you the figures I  
17 had for 2007 and 2008. Please provide Chris with the figures  
18 for 2007, so we can understand the discrepancies[.]

19 Overt Act No. 26: On or about January 28, 2009, in preparation  
20 for Parker to speak with UCC-A, UCC-J and Parker emailed each other  
21 concerning MRI statistics for patients of defendant PERFORMANCE  
22 MEDICAL at Pacific Hospital and PHLB-MRI.

23 Overt Act No. 27: On or about February 11, 2009, UCC-J emailed  
24 another employee of defendants PERFORMANCE MEDICAL and ONE ACCORD  
25 indicating that UCC-J may be moved out of her then-current office  
26 space to accommodate Parker, who, according to "Dr. C", was "going to  
27 be getting back involved in managing."  
28

1        Overt Act No. 28:    On or about February 27, 2009, UCC-H emailed  
2 Parker with the following:

3        Hi William, I believe I asked [you] [this] before but I can't  
4        remember. On your invoices, why is the collection percentage  
5        that we pay you sometimes 30% and sometimes 20%?

6 Parker responded:

7        Hi Howard, We have a collection only contract with PHLB for  
8        patients that we just collect on and don't also perform  
9        management services[:] 1) Authorize Surgery, 2) Schedule  
10       Patient, etc. William.

11       Overt Act No. 29:    On or about April 8, 2009, Hammer spoke to  
12 Parker over the telephone to negotiate a settlement of approximately  
13 \$450,000 in outstanding payments owed to UCTN under the guise of the  
14 MSA between Pacific Hospital and UCTN. In connection with  
15 negotiating the settlement amount, Parker argued for no reduction of  
16 the outstanding amount based on "how difficult and expensive it was  
17 to generate the business."

18       Overt Act No. 30:    On or about April 18, 2009, Parker and  
19 Drobot entered into and executed a "Settlement Agreement and General  
20 Mutual Release." The settlement agreement (a) negotiated down the  
21 outstanding sum of \$504,354 owed to UCTN under the guise of the MSA  
22 between Pacific Hospital and UCTN to \$252,177 and (b) amended the  
23 management fee under the MSA from 30% of collections down to 25%.

24       Overt Act No. 31:    On or about August 14, 2009, UCC-N emailed  
25 Parker and UCC-J, advising that Pacific Hospital requires that a  
26 medical doctor on staff at Pacific Hospital must perform the pre-  
27 operation ("pre-op") history and physical examination on patients  
28 scheduled for surgery at Pacific Hospital.

1        Overt Act No. 32:    On or about August 16, 2009, as part of the  
 2 email chain identified in the preceding Overt Act, Parker emailed  
 3 UCC-A about obtaining privileges for a defendant PERFORMANCE MEDICAL  
 4 doctor who would ultimately do pre-op exams for patients of defendant  
 5 PERFORMANCE MEDICAL with operations scheduled at Pacific Hospital.

6        Overt Act No. 33:    On or about August 18, 2009, as part of the  
 7 email chain identified in the preceding Overt Act, UCC-J emailed UCC-  
 8 N explaining:

9            We are going to have to continue to do the pre-ops as we have  
 10            been until Dr. Brown gets [privileges] at PHLB which will take  
 11            around 60 days.    So go ahead and schedule as usual [until that  
 12            time.]

13        Overt Act No. 34:    On or about September 24, 2009, in response  
 14 to repeated requests from Parker regarding the payment status of  
 15 outstanding invoices in connection with the MSA between Pacific  
 16 Hospital and UCTN, UCC-A forwarded a payment request email from  
 17 Parker to Drobot and wrote, in part, "I am afraid we might los[e] the  
 18 Federal work unless we get something to Parker next week."

19        Overt Act No. 35:    On or about November 18, 2009, Parker  
 20 emailed Canedo, UCC-B, Hammer, UCC-I, and UCC-C, with the subject  
 21 "Surgeries Performed or Scheduled through December 2009."    The email  
 22 read as follows:

23            Bill, The following Statistics Confirm the Surgeries Performed  
 24            by Financial Class at Pacific Hospital for 2009.    We have  
 25            Surgeries Scheduled through December so I have included them as  
 26            well.

27            DR [UCC-O]:                                7        State Surgeries

28    7        DOL Surgeries

1		<u>2</u>	Insurance Surgeries
2		16	Total Surgeries
3			
4	Dr [UCC-P]:	4	State Surgeries
5		<u>52</u>	DOL Surgeries
6		56	Total Surgeries
7			
8	Dr [UCC-Q]:	14	State Surgeries
9		<u>32</u>	DOL Surgeries
10		46	Total Surgeries
11			
12	Total's	25	State Surgeries
13		91	DOL Surgeries
14		<u>2</u>	Insurance
15		118	TOTAL SURGERIES 2009

16

17 We are interested in setting a payment schedule to clear up the

18 outstanding balance before the end of the year.

19 Overt Act No. 36: On or about January 29, 2010, Parker sent an

20 email to Hammer and UCC-B, writing, in part, that Parker was

21 encouraging all FECA program patients who receive pain management

22 services to obtain such services at Pacific Hospital.

23 Overt Act No. 37: On or about February 4, 2010, UCC-J emailed

24 defendant CARRICO and Parker, along with others at defendants

25 PERFORMANCE MEDICAL and ONE ACCORD, to notify them that the defendant

26 PERFORMANCE MEDICAL doctor designated for pre-op examinations had

27 been credentialed at Pacific Hospital. UCC-J concluded: "So we

28

1 should be able to start scheduling and doing all of our own pre-ops  
2 now!"

3 Overt Act No. 38: On or about May 12, 2010, Canedo sent an  
4 email to Drobot and UCC-R, with the subject "Union Choice Therapy  
5 Network--William Parker," writing, "I would [like] you gentlemen to  
6 explain to me how you believe this program works from the referrals  
7 aspect."

8 Overt Act No. 39: On or about May 18, 2010, Parker and UCC-J  
9 discussed patient complaints regarding Pacific Hospital. UCC-J  
10 stated, in part, that "[t]he general complaints that I get from most  
11 patients, is just that the hospital looks run down, old and dirty.  
12 We have had a few specific complaints, I will have to rack my brain  
13 to remember[.]"

14 Overt Act No. 40: On or about August 6, 2010, defendant  
15 CARRICO emailed UCC-J, indicating that UCC-O has a chiropractic  
16 associate, "who wants to sub-lease an office at GG [Garden Grove]  
17 once a month to be a State WC PTP [primary treating physician], and  
18 refer the patients to us for therapy. . . . Please arrange with her  
19 whatever amount she pays at other facilities for the space." UCC-J  
20 responded:

21 Dr. C, Yes Dr. [UCC-O] asked me this morning if we could  
22 sublease space to her for on[e] day a month and I said I was  
23 pretty sure you would be ok with it, but he would need to ask  
24 you to be certain!! When he said she would refer all therapy to  
25 us, I thought "no brainer"!!! :) . . .

26 Overt Act No. 41: On or about October 14, 2010, UCC-M emailed  
27 defendant CARRICO and UCC-J regarding collection amounts related to  
28 UCC-O and UCC-Q, writing: "Here is a year[']s worth of collections

1 for Dr. [UCC-Q] and [UCC-O] to help you with setting up next years  
2 [sic] contracts."

3 Overt Act No. 42: On or about December 15, 2010, UCC-R sent an  
4 email to Canedo, copying Drobot, with the subject "Union Choice,"  
5 inquiring whether Canedo would be able to devise a system to track  
6 inpatient surgical referrals from "Union Choice."

7 Overt Act No. 43: On or about December 16, 2010, Canedo sent  
8 the following email to Parker, copying UCC-F, UCC-G, and another  
9 Pacific Hospital employee, with the subject "New Policy":

10 Mike Drobot has put a new policy in place regarding billing of  
11 Federal Workers Comp going forward. We'll only send you bills  
12 on inpatient and outpatient hospital surgeries referred by you.  
13 To do that, you have to develop a communication tool that will  
14 allow our Surgery Coordination department the opportunity to  
15 identify these referred surgeries when they are scheduled for  
16 surgery. The identification has to occur before the surgery and  
17 not after the fact. Let me know if you have any questions.

18 Overt Act No. 44: As part of the same email chain identified  
19 in the preceding Overt Act, on or about December 17, 2010, Parker  
20 sent a reply email to Canedo and Drobot. In the email, Parker  
21 identified UCC-G as the Pacific Hospital representative who UCTN  
22 would contact to identify referred surgeries, and clarified that  
23 Pacific Hospital "no longer want[s UCTN] to collect for patients that  
24 [defendant PERFORMANCE MEDICAL did] not manage."

25 Overt Act No. 45: On or about December 17, 2010, Parker sent  
26 an email to Drobot, copying Canedo and UCC-C, writing:

27 We have managed and collected for Pacific Hospital of Long  
28 Beach; 151 Surgeries in 2010- 25 State and 126 Federal. We have

1 increased total surgeries by 22% (28% for Federal Patients) in  
2 2010 compared with 2009.

3 The email also contained Excel spreadsheets listing surgeries  
4 performed by Performance Managed Specialty Physicians UCC-O, UCC-P,  
5 and UCC-Q.

6 Overt Act No. 46: On or about January 10, 2011, a  
7 representative of defendant PERFORMANCE MEDICAL sent an email to  
8 Parker, copying defendant CARRICO, UCC-D, UCC-L, UCC-M, and others,  
9 to share Pacific Hospital monthly collection statistics for December  
10 2010.

11 Overt Act No. 47: On or about February 22, 2011, Canedo and  
12 Parker, copying Drobot, emailed each other with the subject "Hospital  
13 EOB." Parker had inquired about five MRI billings as well as  
14 billings for an individual known to assist certain Performance  
15 Managed Specialty Physicians during surgery. Canedo replied, "Per  
16 Mike Drobot's instructions you only get the surgeries you bring to  
17 us. Everything else we bill ourselves since December 16, 2010."

18 Overt Act No. 48: On or about March 1, 2011, a representative  
19 of defendant PERFORMANCE MEDICAL sent an email to Parker, copying  
20 defendant CARRICO, UCC-D, UCC-L, UCC-M, and others, sharing Pacific  
21 Hospital monthly collection statistics for February 2011.

22 Overt Act No. 49: On or about March 7 and 8, 2011, UCC-J and  
23 UCC-N emailed each other discussing a patient who did not want to  
24 travel from Los Angeles to defendant PERFORMANCE MEDICAL's clinic in  
25 Garden Grove for a pre-op exam, citing having to take extra time off  
26 work, traveling from Los Angeles, cost of fuel, and multiple trips.  
27 UCC-J responded to UCC-N regarding the complaint and request to  
28



1 schedule the pre-op at a facility closer to Los Angeles, stating the  
2 following:

3       Unfortunately, we started doing our own pre-ops for one, so we  
4       have more control over things and can make sure everything is  
5       done for their pre-op and two, it's more business for us (don't  
6       say that to the patient). Why don't you see if you can get  
7       authorization for transportation for the pre-ops? I think that  
8       would be the best way to work this out.

9       Overt Act No. 50: On or about April 8, 2011, Canedo emailed  
10      Drobot advising that Parker was requesting a meeting with Drobot to  
11      discuss Parker's then-ongoing relationship with Pacific Hospital. By  
12      way of background, Canedo wrote:

13       On December 16, 2010[, ] when we met with William Parker we  
14       agreed that he would only get paid for the surgeries he refers.  
15       He is unhappy he isn't getting paid for other things that he  
16       refers and we are now billing.

17       Overt Act No. 51: On or about May 14, 2011, UCC-M emailed UCC-  
18      L requesting a written reminder on "[t]he % calculation that UCTN  
19      gets [from Pacific Hospital] and the % One Accord Management gets  
20      from that amount?"

21       Overt Act No. 52: On or about May 16, 2011, in response to the  
22      email identified in the preceding Overt Act, UCC-L replied to UCC-M:  
23      "UCTN gets 30%. One Accord Management gets 20% of [what] UCTN gets."

24       Overt Act No. 53: On or about June 24, 2011, UCC-G emailed  
25      Parker, UCC-L, and others, with the subject "Delay in Sending out  
26      Claims," attributing the apparent lag in Pacific Hospital sending  
27      FECA program claims to defendant ONE ACCORD for billing and  
28      collection, in part, to the fact that "[w]e had not been getting the

1 Performed surgery list timely [from UCTN/defendants PERFORMANCE  
2 MEDICAL and ONE ACCORD], in this case I would not always know if the  
3 claim should be sent to your office so some claims were held until I  
4 received that information."

5 Overt Act No. 54: On or about July 21, 2011, Parker sent an  
6 email to Canedo, with the subject "Surgeries April-July 12, 2011,"  
7 which listed surgery dates and patient names corresponding to  
8 surgeries performed by UCC-O, UCC-P, and UCC-Q.

9 Overt Act No. 55: On or about September 14, 2011, UCC-N  
10 emailed written surgery instructions to Parker and another  
11 Performance Health Entity representative to review and modify. The  
12 instructions addressed the surgery scheduling protocol for patients  
13 of UCC-O, UCC-P, and UCC-Q. With respect to UCC-O and UCC-P, the  
14 instructions only provided for surgeries to be scheduled at Pacific  
15 Hospital.

16 Overt Act No. 56: On or about September 22, 2011, Canedo sent  
17 an email to Parker, copying Drobot and UCC-I, with the subject  
18 "Payments." In the email, Canedo specifically identified payments  
19 made to "cover all of the referred surgeries," and wrote, "[i]f you  
20 disagree that you are [ ] entitled to only being paid on the referred  
21 surgeries since December 16, 2010, Mike Drobot is the man to talk  
22 to."

23 Overt Act No. 57: On or about September 29, 2011, as part of  
24 the email chain identified in the preceding Overt Act, UCC-I emailed  
25 Parker advising that Drobot had signed a check for \$167,588.37  
26 (actually issued for \$167,940.32) and asked whether Parker would like  
27 the check mailed or picked up.

1        Overt Act No. 58:    As part of the email chain identified in the  
2 preceding two Overt Acts, on or about September 29, 2011, Parker  
3 instructed UCC-I to send the check by mail.

4        Overt Act No. 59:    On or about October 4, 2011, Parker caused  
5 Pacific Hospital check number 263781, in the amount of \$167,940.32,  
6 to be deposited into the UCTN Bank of America account ending in 2607.

7        Overt Act No. 60:    On or about November 16, 2011, Canedo  
8 emailed Parker, copying Drobot and UCC-R, with the subject "Memo of  
9 Understanding." Canedo wrote, in part:

10        For all referred surgeries only[,] from September 1, 2011  
11        onward, this is all we'll pay you. We will not pay you for  
12        other services these referred surgeries might have also  
13        generated at the hospital. So, for example, a referred surgery  
14        from September 20 will be sent to you for collection. We will  
15        pay you your commission on the surgery when you collect it. The  
16        MRI that the patient has on September 10 will not be sent to you  
17        for collection and you will not get paid when the cash comes in  
18        for the MRI or other ancillary services generated by the surgery  
19        patient. Please confirm your understanding.

20        Overt Act No. 61:    On or about January 13, 2012, Parker emailed  
21 Drobot and copied Canedo, writing:

22        Mr Drobot, I have forwarded to your attention two signed copies  
23        (via USPS) of a new contractual agreement for Your review. This  
24        contract establishes a Management/Collection agreement between  
25        Union Choice and Pacific Hospital for DOL patients beginning  
26        September, 2011 for a flat monthly payment . . .

27        The contract attached to the email was a Management Services  
28        Agreement between UCTN and Pacific Hospital. The agreement stated

1 that Pacific Hospital shall pay UCTN \$55,000 per month as a payment  
2 for services. The services listed in the contract included  
3 "clerical, managerial, and administrative personnel necessary to  
4 review for accuracy and compliance with the Department of Labor's  
5 requirements for billings, the bills created by [Pacific Hospital.]"

6 Overt Act No. 62: On or about January 19, 2012, Parker emailed  
7 UCC-L inquiring "if [she] had any idea why our monthly collections  
8 are the lowest in two years, Please let me know your thoughts[.]"

9 Overt Act No. 63: On or about February 3, 2012, a  
10 representative of defendant PERFORMANCE MEDICAL emailed Parker,  
11 defendant CARRICO, UCC-M, and others, attaching an excel spreadsheet  
12 titled "PHLB STATS JANUARY 2012.xls."

13 Overt Act No. 64: On or about February 9, 2012, Canedo emailed  
14 another Pacific Hospital employee with instructions to file the  
15 Management Services Agreement between UCTN and Pacific Hospital in  
16 the contract database, and for UCC-H to stop emailing payment reports  
17 to UCTN. Attached to the email was a copy of the Management Services  
18 Agreement between UCTN and Pacific Hospital, for \$55,000 per month,  
19 effective September 1, 2011, bearing the signatures of Parker and  
20 Drobot.

21 Overt Act No. 65: On or about February 10, 2012, defendant  
22 CARRICO forwarded an email to Parker with the subject "Work Comp  
23 Central Article." The article discussed a Wall Street Journal  
24 "front-page story" regarding middlemen charging "inflated prices for  
25 devices used in spinal surgeries on injured workers." The article  
26 stated that Randall was suspected of "conspiring to inflate the cost  
27 of spinal-surgery hardware and use part of the proceeds to pay  
28 kickbacks to doctors to refer workers' compensation patients for

1 surgeries" at a Southern California hospital. The article said that  
2 prior to working with this hospital, Randall worked with Drobot at  
3 Pacific Hospital from 1998 until 2008. The article refers to  
4 comments from Pacific Hospital's General Counsel, stating,  
5 "physicians at the facility have no financial motivation for  
6 performing fusions . . ."

7 Overt Act No. 66: On or about February 21, 2012, Canedo  
8 emailed Parker, copying Drobot, UCC-L, UCC-F, UCC-G, and UCC-R,  
9 writing: "I notified my staff that you[']re supposed to get all of  
10 our Federal Workers Comp to bill and collect as part of our new  
11 agreement."

12 Overt Act No. 67: On or about February 29, 2012, Parker  
13 emailed Drobot and copied UCC-R, with the subject "Dr. [UCC-O]," and  
14 wrote:

15 Mike, We are meeting with Dr [UCC-O] this Friday, March 2nd.  
16 This will be our last chance to come to an agreement. I am  
17 attaching information showing a comparison of 2010 to 2011 for  
18 Dr [UCC-O], along with his 2010 and 2011 Facility/Services  
19 Agreement and the proposed 2012 agreement. You will see that  
20 the 2012 agreement is only about \$200.00 more a month than 2011,  
21 and One Accord Management is giving him 90 days to pay.

22 Parker then wrote:

23 Please note- Total Collection's, and Management/Collection fees.  
24 You will see that there was an increase in Non-Surgical services  
25 in 2011, although there was a slight decrease in surgeries. Dr  
26 [UCC-O] increased his income in 2011 by \$54,721.45, although One  
27 Accord Management did not increase their fees. Also, FWC  
28 [Federal Workers Compensation] new patients to Dr [UCC-O] in

2010 were 67 and 160 in 2011. This will translate into more surgeries in 2012. Dr [UCC-O] in 2010 performed 21 surgeries (17-FWC, 4-SWC [State Workers' Compensation]). In 2011 he performed 15 surgeries (13-FWC, 4-SWC). Thank you, William.

The email included four attachments titled: "[UCC-O] Collection & Management 2010-2011.xlsx," "[UCC-O] old contract.pdf," "[UCC-O] Contract (2012).pdf," "[UCC-O] Addendum (01-31-12).pdf." The "[UCC-O] Collection & Management 2010-2011.xlsx" spreadsheet attachment noted 2010 and 2011 financial amounts in the following categories: Surgery, Collection Fee 12%, Non-Surgery, and Management & Facility Fee. The attachment also reported financial amounts such as [UCC-O]'s "Total Collection's" [the amount that UCC-O received minus the fees paid to defendant ONE ACCORD] of \$254,607.60 for 2010 and \$309,329.05 in 2011 and defendant ONE ACCORD's portion of these collections under UCC-O's "Total Management Collection Fee One Accord" of \$84,446.82 for 2010 and \$136,574.60 for 2011.

Overt Act No. 68: On or about February 27, 2012, UCC-M emailed defendant CARRICO and UCC-D regarding "One Accord & UCTN," writing:

A little light has been shed on [UCC-C's] remark about a voided contract as of 9/2011. [UCC-L] found out from Pacific Hospital that the contract between [Pacific Hospital] and UCTN changed as of 9/2011. It is no longer a % but a flat fee. [UCC-L] has not been notified by UCTN of this and does not know the flat fee.

Shal[1] I continue to use the old calculation until further notice? Will we need to have a new contract drawn up between defendant ONE ACCORD and UCTN?

Overt Act No. 69: On or about February 29, 2012, UCC-D replied to the email involving defendant CARRICO and UCC-M identified in the

1 preceding Overt Act (despite not being an initial recipient) and  
2 wrote, "Please hold off on this until we talk[.]"

3 Overt Act No. 70: Effective January 1, 2012, a Facility Rental  
4 and Services Agreement between defendant ONE ACCORD and UCC-O  
5 provided for UCC-L's use of defendant ONE ACCORD facilities and  
6 equipment, as well as administrative and management support defendant  
7 ONE ACCORD contracted to provide UCC-O. Specifically, defendant ONE  
8 ACCORD, "on behalf of [UCC-O], [was obligated to] bill patients who  
9 were treated at the Facilities, including those patients who  
10 subsequently undergo hospital-based surgery[.]" The rental and  
11 services fee was set at \$11,572 per month. Defendant CARRICO and  
12 UCC-O signed the agreement.

13 Overt Act No. 71: On or about March 1, 2012, UCC-L emailed  
14 UCC-D stating, in part:

15 We collect surgery only for our patients for Pacific Hospital in  
16 year 2011. Now, we are collecting all Federal patients  
17 including the patients [that] are not ours, MRI, CT scans and  
18 [an assistant surgeon's] bills. We have an average [of] 15  
19 surgeries in a month. I have just received 46 bills for the  
20 past 1 week. The bills still keep on coming. The amount of  
21 work is much more than before.

22 Overt Act No. 72: On or about May 25, 2012, defendant CARRICO  
23 emailed Parker, copying a retained business consultant, writing: "Hi  
24 Willy, Would you please CC me any correspondence [you] have with  
25 Charlie Miller [a former postal union leader]? Thanks." The  
26 business consultant replied: "it[']s always good to coordinate  
27 efforts when building a relationship - good thinking[.]" Parker  
28



1 further replied: "Yes, I am going to send a draft for your review on  
2 Monday."

3 Overt Act No. 73: On or about June 14, 2012, an email exchange  
4 involving a business consultant and an accountant for defendants  
5 PERFORMANCE MEDICAL and ONE ACCORD, along with UCC-M, referenced a  
6 meeting involving Parker, defendant CARRICO, and UCC-D the previous  
7 day and noted that defendant CARRICO asked the accountant to keep the  
8 business consultant "in the loop regarding payments received from  
9 Union Choice," as well as the historical payments made from UCTN to  
10 defendant ONE ACCORD, documented in a spreadsheet attached to the  
11 email, for the time period January 2011 through June 2012. The email  
12 also referenced that Parker and "the Carricos" are "negotiating a  
13 contract amount for management services to be provided by [defendant  
14 ONE ACCORD] to [UCTN]." The email further noted that the accountant  
15 (and another HR consultant) "recommend that the [pre-existing]  
16 arrangement for defendant ONE ACCORD to provide management services  
17 to Union Choice continue." In response to this information, the  
18 business consultant expressed confusion and wrote: "Are these the  
19 payments from [U]nion [C]hoice FOR our [defendant ONE ACCORD's]  
20 services? Or [are] the payments collected FOR [UCTN] for services  
21 rendered at the hospital [i.e., Pacific Hospital]." UCC-M responded:  
22 "They are one [and] the same. Please call for more detail."

23 Overt Act No. 74: On or about June 14, 2012, a business  
24 consultant retained by defendants PERFORMANCE MEDICAL and ONE ACCORD  
25 emailed defendant CARRICO, an accountant for defendants PERFORMANCE  
26 MEDICAL and ONE ACCORD, and UCC-M, with the subject "Re: Union Choice  
27 Therapy Network Information," writing, in part:  
28

1 Ok Here is the post consultation things to do. I[']ll try to  
2 piece together what I think I know and you guys do the same so  
3 we can get to the bottom line.

4 William (Union Choice) has had an agreement with One Accord for  
5 some time (someone fill in the time) whereby he pays One Accord  
6 a \_\_\_\_% of what \_\_\_\_% he is paid by the hospital to us for  
7 services rendered. The reason I leave these areas blank is  
8 while I think I know I may not. I have not seen any written  
9 agreement nor been privy to any calculations based on anything  
10 to do with this deal. I only see the gross numbers of billings,  
11 collections and then the fee One Accord is paid. Do we have any  
12 of these agreements in writing? Old agreement or New one?

13 To do:

14 1. Fill in the blanks. What is the deal? What are the numbers  
15 we are to expect from the past "agreement"? We need to go back  
16 a couple of years on this not just 2011. Dr. C may nix that but  
17 I want to know the entire amount, if possible[.]

18 2. Figure out what is owed based on point one.

19 3. Send a bill or offer a credit on the account with Union  
20 Choice for the difference.

21 4. Consider the new billing amount to be a fixed amount from  
22 September 2011 till now. This fixed amount number has been  
23 thrown around at \$8,000. Find out what that number actually is  
24 for that period and collect that amount by a certain date.

25 5. We will need to have a letter written by [the accountant for  
26 defendants PERFORMANCE MEDICAL and ONE ACCORD] co-signed by Dr.  
27 C laying out these expected collections and requesting a reply  
28 by a certain date of when that amount will be paid up to date.

1        6. Determine if this amount (\$8,000 ish) is rational from an  
2        expenses + cushion perspective and if not negotiate a new  
3        number.

4        Overt Act No. 75:    On or about June 22, 2012, an accountant for  
5        defendants PERFORMANCE MEDICAL and ONE ACCORD emailed defendant  
6        CARRICO, UCC-M, and a business consultant retained for defendants  
7        PERFORMANCE MEDICAL and ONE ACCORD, with the subject "More info  
8        regarding Union Choice." The email provided "additional historical  
9        information regarding Union Choice," which detailed information about  
10       defendant ONE ACCORD's total costs associated with performing the  
11       billing and collections services for Pacific Hospital (stemming from  
12       UCTN's MSAs with the hospital and UCTN's arrangement with defendant  
13       ONE ACCORD) from 2005 to 2012. The body of the email highlighted:

14       Please note the high level recap in the 2005-2012 UC Collections  
15       Spreadsheet [attached to the email]. The recap shows the  
16       inception to date collections from Pacific Hospital, and the  
17       management fees collected by One Accord. Over time One  
18       Accord['s] collection percentage is 4.3%.

19       The attached spreadsheet provided a year-by-year and month-by-month  
20       breakdown, from January 2005 to May 2012, of: (1) the total collected  
21       for Pacific Hospital by defendant ONE ACCORD (through UCTN's MSAs  
22       with Pacific Hospital, and the agreement between UCTN and defendant  
23       ONE ACCORD where defendant ONE ACCORD does all the actual billing and  
24       collection work for UCTN with respect to Pacific Hospital); (2) the  
25       management fee collected by defendant ONE ACCORD from UCTN for the  
26       actual billing and collection services defendant ONE ACCORD did on  
27       behalf of UCTN for Pacific Hospital (i.e., the roughly 5% to 6%  
28       total, or 20% of the approximate 30% of collections Pacific Hospital

1 paid UCTN under the MSAs from 2005 to 2012); (3) defendant ONE  
2 ACCORD's cost of employee resources (i.e., labor and wages) expended  
3 to bill and collect FECA program claims for Pacific Hospital; and  
4 (4) defendant ONE ACCORD's cost of Raintree (a computer or electronic  
5 medical records software package) allocated to the task of Pacific  
6 Hospital billing and collections. The total figures in the first two  
7 pages of the spreadsheet showed that between 2005 and May 2012  
8 defendant ONE ACCORD (or purportedly UCTN under the MSAs) collected  
9 \$15,922,106 for Pacific Hospital, while defendant ONE ACCORD was paid  
10 \$689,662 for these billing and collection services (indirectly  
11 through UCTN). According to the spreadsheet, the total cost of these  
12 services, accounting for labor and electronic software costs, was  
13 \$809,410 total, or roughly 5% of the total amount (~\$16 million)  
14 "collected" for Pacific Hospital.

15 Overt Act No. 76: On or about July 16, 2012, Parker emailed an  
16 employee of Pacific Hospital, copying Drobot, regarding "the growing  
17 back log of surgeries for [UCC-P]. Parker further wrote, "[p]lease  
18 let me know if anything can be done. The DOL only gives 90 days of  
19 authorization. [UCC-P] is proposing taking future surgeries somewhere  
20 else."

21 Overt Act No. 77: On or about August 31, 2012, a  
22 representative of defendant PERFORMANCE MEDICAL emailed defendant  
23 CARRICO, UCC-M, and others, with a subject "PHLB STATS REPORT AUGUST  
24 2012," attaching an excel spreadsheet titled "PHLB STATS AUGUST  
25 2012.xls."

26 Overt Act No. 78: To facilitate negotiating an increase of the  
27 then-monthly kickback payment from Pacific Hospital to UCTN, on or  
28 about August 29, 2012, Parker created a Microsoft Excel spreadsheet

1 that tabulated Pacific Hospital's total surgery collections under the  
2 FECA program between September 2011 and August 2012, inclusive, to  
3 determine how much was paid to Pacific Hospital on a monthly basis.  
4 Based on this monthly figure, Parker identified that the then-current  
5 \$55,000 monthly kickback Pacific Hospital paid UCTN under the  
6 applicable MSA was the equivalent of 16% of the average monthly  
7 amount Pacific Hospital was paid on FECA program surgeries during the  
8 period ("Monthly A[v]erage \$55,000 Monthly = 16%"). Parker then  
9 calculated the monthly amount Pacific Hospital would need to pay UCTN  
10 for a kickback of 25% of the amount Pacific Hospital was reimbursed  
11 for such FECA program surgeries on average each month -- or  
12 approximately \$83,500 ("At 25% [=] \$83,504.60"). The final row of  
13 the spreadsheet reads: "New Contract: \$75,000 Monthly".

14 Overt Act No. 79: On an unknown date between August 29, 2012  
15 and September 14, 2012, Parker negotiated with Drobot and Canedo for  
16 a \$20,000 increase in the monthly kickback payment from Pacific  
17 Hospital to UCTN, such that the monthly (purportedly) fixed payment  
18 increased from \$55,000 to \$75,000, or approximately 22% of Pacific  
19 Hospital's average monthly collections over the previous twelve  
20 months.

21 Overt Act No. 80: On or about September 14, 2012, an employee  
22 of Pacific Hospital emailed Canedo writing, "It seems we have this  
23 agreement [referring to a marketing agreement] and a management  
24 agreement in the system. Does the new management agreement with  
25 Union Choice eliminate this agreement?" Attached to the email was a  
26 marketing agreement internally dated June 1, 2004, between UCTN and  
27 Pacific Hospital. The cover page of the "Marketing Services  
28 Agreement" identified UCTN and PSPM as contracting parties. In

1 contrast, the introduction of the agreement, identifying the  
2 contracting parties, reflected that the intended parties were UCTN  
3 and Pacific Hospital. The "Recitals" section of the agreement stated  
4 "PACIFIC HOSPITAL desires to contract to obtain the benefit of . . .  
5 marketing services to be provided by UNION CHOICE." The "Agreement"  
6 portion of the marketing contract specified under "Services Provided  
7 by UNION CHOICE" that "UNION CHOICE shall, at its expense, provide  
8 the following marketing services: specialty marketing, advertising,  
9 and educational services." The agreement further provided for a  
10 \$10,000 monthly "marketing services fee" owed to UCTN in addition to  
11 any actual pre-approved advertising-related expenses. The  
12 "Relationship of the Parties" section of the agreement states, in  
13 relevant part, that agreement does not create an employment or  
14 partnership relationship between the parties and caveats "except as  
15 provided hereinabove regarding billings and collections." Yet, the  
16 marketing agreement does not otherwise reference or discuss "billings  
17 and collections."

18 Overt Act No. 81: As part of the email chain identified in the  
19 preceding Overt Act, on or about September 14, 2012, Canedo replied  
20 to the Pacific Hospital employee, writing that the original agreement  
21 "was replaced by an agreement paying \$55,000 monthly starting  
22 September 1, 2011. Mike [Drobot] has a new version ready for  
23 execution upping the monthly fee to \$75,000 starting September 1,  
24 2012."

25 Overt Act No. 82: On or about January 24, 2013, UCC-I emailed  
26 Parker stating that his check, "for October" had been issued and  
27 signed. UCC-I then inquired if Parker wanted the check held for him  
28

1 to pick up. Parker replied and requested that the check be sent  
2 "ASAP."

3 Overt Act No. 83: On or about January 24, 2013, in response to  
4 the email identified in the preceding Overt Act, UCC-I replied, "Ok,  
5 we will drop the check in the mail today."

6 Overt Act No. 84: On or about January 31, 2013, as part of the  
7 same email chain identified in the preceding two Overt Acts, Parker  
8 replied, in part, that "we received the October check on Wednesday  
9 the 30<sup>th</sup>."

10 Overt Act No. 85: On or about January 31, 2013, a  
11 representative of defendant PERFORMANCE MEDICAL emailed Parker,  
12 copying defendant CARRICO, UCC-M, and others, with a subject, "PHLB  
13 STATS REPORT JANUARY 2013 FINAL," attaching an Excel spreadsheet  
14 titled "PHLB STATS JANUARY 2013.xls."

15 Overt Act No. 86: On or about February 7, 2013, UCC-L emailed  
16 Parker, with the subject "Dr[.] [UCC-O] Stats," writing "[p]lease see  
17 attached information you requested for Dr. [UCC-O]." A document was  
18 attached to the email with charges and payments for UCC-O's patient  
19 evaluations, surgeries, and prescriptions in 2012.

20 Overt Act No. 87: On or about February 7, 2013, UCC-N emailed  
21 Parker about patient A.C., writing, in part:

22 "This patient doesn't want to do his surgery at Pacific  
23 Hosp[ital]. He checked the rating & 'PHLB is very low'. He  
24 said, he [had] also seen that [UCC-P] is affiliated at Cedar  
25 Sinai so he wants to have the [surgery] there. . . .

26 Overt Act No. 88: On or about March 13, 2013, an employee of  
27 Pacific Hospital emailed Parker and asked, "Were there any surgeries  
28



1 for the month of February?" Parker replied to the employee and  
2 copied Drobot, providing a list of referred surgeries.

3 Overt Act No. 89: On or about March 26, 2013, Parker emailed  
4 UCC-I, Drobot, Canedo, and copied UCC-C and another employee of  
5 Pacific Hospital, asking if UCC-I had "confirmation that the check  
6 was sent, and the day?" in connection with UCTN's December 2012  
7 collections invoice.

8 Overt Act No. 90: On or about March 29, 2013, an internal  
9 email to multiple Pacific Hospital employees including Drobot,  
10 Canedo, and UCC-H attached a "daily Physician Payment Report." This  
11 report included "WILLIAM PARKER-FEDERAL WORKERS COMP 25%" and listed  
12 payments of \$75,000 in October, November, and December 2012 and  
13 January 2013.

14 Overt Act No. 91: On or about April 30, 2013, Parker called  
15 and spoke with Hospital D Director to schedule a meeting for May 9,  
16 2013.

17 Overt Act No. 92: On or about May 10, 2013, Parker emailed  
18 Hospital D Director to share additional information about UCTN and  
19 attached a "sample contract" designated as a "Management Services  
20 Agreement," which set forth billing and collection services UCTN  
21 would provide to a contracting party, with blank spaces for the name  
22 of the entity that would contract with UCTN. The management services  
23 fee was also blank.

24 Overt Act No. 93: On or about May 10, 2013, Hospital D  
25 Director responded to the email identified in the preceding Overt  
26 Act, requesting "a payment schedule for the DOL/Federal Work Comp  
27 program that provides the reimbursement rates by DRG [Diagnosis-  
28 Related Group] [.]"

1        Overt Act No. 94:    On or about May 11, 2013, Parker forwarded  
2 the information request from Hospital D Director (identified in the  
3 preceding Overt Act) to UCC-L, seeking the same information.

4        Overt Act No. 95:    On or about May 13, 2013, UCC-L responded  
5 with the FECA program payment information Parker requested in the  
6 email chain identified in the preceding two Overt Acts.

7        Overt Act No. 96:    On or about May 17, 2013, Parker forwarded  
8 portions of the FECA program payment information obtained from UCC-L  
9 (identified in the preceding Overt Act) to Hospital D Director, along  
10 with un-redacted billing attachments containing patient and physician  
11 information from actual claims previously submitted in connection  
12 with surgeries at Pacific Hospital.

13       Overt Act No. 97:    On or about June 6, 2013, Parker emailed a  
14 representative of defendant PERFORMANCE MEDICAL requesting that she  
15 "look into the credentialing process for a [d]octor and [h]ospital."  
16 Parker further specified his desire to understand "what the process  
17 is, approximately how long it takes, and if [the representative had]  
18 ever done it before."

19       Overt Act No. 98:    On or about June 20, 2013, UCC-N emailed  
20 Parker about the cancellation of patient C.R.'s surgery earlier that  
21 day at Pacific Hospital due to two of the surgery codes not being  
22 authorized. UCC-N wrote that she spoke to the patient "today," who,  
23 in turn, had spoken to [UCC-Q] about performing the surgery at UCC-  
24 Q's surgery center. The patient told UCC-N that "he doesn't want to  
25 go back to Pacific [Hospital]," noting that the patient said "[t]hey  
26 don't know what they are doing, like they told [the patient] a  
27 different time to arrive other than the time I told [the patient], so  
28 if they don't know that, what else don't they know?" UCC-N further

1 explained that the patient "was already prepped w/IV on & his foot  
2 was marked, & then last minute, they stopped & didn't proceed..."  
3 UCC-N concluded her email asking Parker if the patient could have  
4 surgery at UCC-Q's surgery center.

5 Overt Act No. 99: On or about September 11, 2013, Parker  
6 emailed Drobot, Canedo, and UCC-I to share his understanding that  
7 Pacific Hospital was sold earlier that week and reminded Drobot and  
8 Canedo that Pacific Hospital had "5 months of outstanding invoices"  
9 under the MSA. Parker further wrote "we also have outstanding  
10 billing and collection to perform. Please advise us of your  
11 intentions and if you are cancelling our contract."

12 Overt Act No. 100: On or about September 13, 2013, Parker  
13 forwarded the email identified in the preceding Overt Act to UCC-A.  
14 Parker further wrote:

15 I am in a real situation with the surgeons we work with.

16 Everyone is wanting to move the surgeries to some other  
17 hospital. Hopefully I can bring them to Molina and not create  
18 more confusion.

19 Overt Act No. 101: On or about September 23, 2013, UCC-A  
20 emailed Parker, copying the Molina Executive, with the subject  
21 "Federal Work Comp Program". UCC-A introduced Parker and the Molina  
22 Executive, writing:

23 By way of this email I am introducing [Molina Executive] to you  
24 [Parker]. [Molina Executive] is the new CEO, hired by Molina to  
25 manage PHLB hospital. Please contact her directly to set up a  
26 meeting to discuss your program. I spoke with Mr. Molina and  
27 [Molina Executive] this afternoon and they are interested in  
28

1 finding out more regarding the Federal work comp program you are  
2 involved with.

3 Overt Act No. 102: On or about September 23, 2013, Parker  
4 forwarded UCC-A's introduction email identified in the preceding  
5 Overt Act to defendant CARRICO.

6 Overt Act No. 103: On or about September 24, 2013, defendant  
7 CARRICO responded to the email identified in the preceding Overt Act,  
8 writing, "Glory!"

9 Overt Act No. 104: On or about September 23, 2013, Parker  
10 responded to the introduction email with the Molina Executive,  
11 writing:

12 [Molina Executive], My name is William Parker Director of Union  
13 Choice Therapy Network. My associates and I have been providing  
14 federal employees injured in the course of their employment with  
15 comprehensive medical care for over 12 years.

16  
17 Our program has allowed thousands of federal employees to  
18 receive medical treatment that were otherwise unavailable.

19  
20 I am contacting you to ask for an appointment to tell you about  
21 our program and see if Molina would be interested in providing  
22 surgical services to these injured federal employees.

23 Overt Act No. 105: On or about September 23, 2013, the Molina  
24 Executive responded to Parker's email identified in the preceding  
25 Overt Act, suggesting a meeting date for the week of October 7, 2013.  
26 In reply, on or about September 24, 2013, Parker emailed the Molina  
27 Executive, copying UCC-A, confirming his availability for a meeting  
28 to discuss UCTN and "our program for federal employees." Parker also

1 attached defendant PERFORMANCE MEDICAL's confirmed surgery schedule  
2 for 2013, which included 2013 surgeries that had been previously  
3 performed at Pacific Hospital and future surgeries, including  
4 surgeries scheduled at facilities other than Pacific Hospital.  
5 Parker further elaborated:

6 I am attaching a file that contains the Confirmed Surgery  
7 Schedule for surgeries at PHLB, they are already scheduled and  
8 pre-authorized through the end of October (please see the tabs  
9 for each Doctor's schedule on the bottom of the worksheet.)  
10

11 I know you are in the middle of a transition but if these  
12 patients were somehow able to have their surgeries at the  
13 appointed time it would be greatly appreciated.

14 . . .

15 Otherwise we will have to find them another location for the  
16 Doctor's to perform the surgeries.

17 Overt Act No. 106: On or about October 1, 2013, Parker and  
18 defendant CARRICO met with Hospital C CEO and Hospital C VP at  
19 Hospital C to discuss UCTN and defendants PERFORMANCE MEDICAL and ONE  
20 ACCORD.

21 Overt Act No. 107: On or about October 2, 2013, Parker emailed  
22 Hospital C CEO and Hospital C VP, copying defendant CARRICO, with the  
23 following message, in part:

24 Thank you for the opportunity you afforded Dr Carrico and myself  
25 to share the history of our helping federal employees injured in  
26 the course of their employment.  
27  
28

1  
2 We have been treating injured federal employees for over 10  
3 years.

4  
5 I am attaching a sample contract for your review along with  
6 sample billing[s.] The collection information below and billing  
7 attachment corresponds 1 through 6 by name. You will be able to  
8 see what was billed and what was paid.

9 Parker then attached portions of voluminous un-redacted billing  
10 information containing patient and physician information from actual  
11 claims previously submitted in connection with surgeries at Pacific  
12 Hospital. The sample contract attached to the email - a Management  
13 Services Agreement -- contained multiple blanks, including the amount  
14 to be paid to UCTN.

15 Overt Act No. 108: On or about October 2, 2013, Hospital C CEO  
16 responded to Parker's email identified in the preceding Overt Act,  
17 writing:

18 [Hospital C VP] and I enjoyed meeting with you, and we look  
19 forward to forming a mutually beneficial relationship. I, and  
20 our attorney, will review the Agreement and attachments, and get  
21 back to you soon.

22 Overt Act No. 109: On or about October 2, 2013, Parker emailed  
23 the Molina Executive to confirm that she received his prior  
24 correspondence and sought "to confirm a date and time" for the  
25 previously proposed meeting. In response, on or about October 4,  
26 2013, the Molina Executive responded:

27 I am appreciative of your interest in providing cases, once the  
28 transaction between [Pacific Hospital] and [College Hospital]

1 closes. We have been advised that requests for all non-emergent  
2 surgeries, procedures and admissions must be resubmitted to  
3 Molina once the transaction has closed, unless the admitting  
4 physician certifies that such a rescheduling would result in  
5 harm to his or her patient. . . . We apologize that we are  
6 unable to make exceptions to this process.

7 Overt Act No. 110: On or about October 7, 2013, UCC-G emailed  
8 Canedo indicating that all the FECA program billings Parker and UCC-L  
9 were requesting were mailed the prior week.

10 Overt Act No. 111: On or about October 8, 2013, UCC-N forwarded  
11 a notice from Pacific Hospital to Parker, which effectively explained  
12 that all non-emergency surgeries and procedures scheduled with  
13 Pacific Hospital prior to October 7, 2013 -- the closing date for the  
14 sale of the hospital -- would be cancelled moving forward. UCC-N  
15 also asked Parker how she should handle "our next surgery dates: Dr  
16 [UCC-P] 10/24/13, Dr [UCC-O] 10/29/13, Dr [UCC-Q] 11/1/13." Based on  
17 this email, Parker instructed staff of defendants PERFORMANCE MEDICAL  
18 and ONE ACCORD to inquire about (a) getting College Hospital  
19 "credentialed with ACS/DOL," (b) transferring surgery authorizations  
20 from Pacific Hospital to College Hospital, and (c) what College  
21 Hospital would need for UCC-O, UCC-P, and UCC-Q to perform surgeries  
22 at College Hospital.

23 Overt Act No. 112: On or about October 8, 2013, Parker emailed  
24 the Molina Executive, copied defendant CARRICO, and forwarded the  
25 surgery cancellation notice from College Hospital identified in the  
26 preceding Overt Act. Parker added:

27 We are interested in going forward with rescheduling surgeries  
28 at [College Hospital] that are preauthorized at PHLB. (Please



1 see our inner-office correspondence below.) In order for us to  
 2 do this we will need to know the following from [College  
 3 Hospital]:

- 4 1) Who do we contact at [College Hospital] that will provide us  
 5 with the necessary information needed to have [College  
 6 Hospital] credentialed by ACS/DOL?
- 7 2) What is needed to credential the surgeons at CHLB in order  
 8 for them to perform the surgeries there?
- 9 3) Once we have taken care of the above, we will simply  
 10 reschedule at [College Hospital] all the surgeries that we  
 11 already have schedule and authorized at PHLB, with the  
 12 anticipation of an ongoing contractual relationship with  
 13 Molina Healthcare." (emphasis added)

14 Overt Act No. 113: On or about October 15, 2013, UCC-N emailed  
 15 Parker the following message, with the subject "any news?":

16 Hi William, You didn't call me [with] any update so, anything?  
 17 So, should I go ahead & inform patients of cancellation of 10/24  
 18 sx [surgeries]? Because even if we book w/ [Hospital D],  
 19 Yolanda doesn't think it will be next week... If you agree, I  
 20 will call them tomorrow to cancel their pre-op. Another  
 21 question, how do I break it to patients? Any words I shouldn't  
 22 say? . . .

23 Overt Act No. 114: On or about October 16, 2013, Parker emailed  
 24 a representative of defendant PERFORMANCE MEDICAL stating, in part:

25 While we are in a wait and see mode with College/Molina, we are  
 26 attempting to credential the specialists at [Hospital C]. This  
 27 is where you come in: Will you please call [Hospital C VP] and  
 28 tell her you are calling on my behalf to find out what she needs

1 from the Doctors to credential them right away. Please stay on  
2 the subject of credentialing only, if anything else comes up  
3 tell her you will ask me to call her.

4 Overt Act No. 115: On or about October 16, 2013, Parker emailed  
5 the Molina Executive the following, copying UCC-A:

6 Hello [Molina Executive], I've been trying to contact you so I  
7 can obtain [the] status on the future of the OR [operating room]  
8 at [College Hospital]. Is there still interest and is it yet  
9 possible that [Molina Healthcare] would like to meet to discuss  
10 bringing pre-authorized surgeries of federal injured patients to  
11 the hospital? (emphasis added)

12 Overt Act No. 116: On or about October 21, 2013, Parker emailed  
13 a family member affiliated with defendants PERFORMANCE MEDICAL and  
14 ONE ACCORD and attached a Management Services Agreement drafted for  
15 UCTN and Hospital C. In the body of the email, Parker wrote: "Just  
16 look at the last page addendum because that's my great writing and  
17 let me know what you think!" The agreement obligates Hospital C to  
18 pay UCTN \$30,000 per month for FECA program billing and collection  
19 services. Addendum A to the agreement provides that the \$30,000  
20 monthly fee would be phased in over the first three months of the  
21 agreement as follows: \$20,000, \$25,000, and \$30,000.

22 Overt Act No. 117: On or about October 22, 2013, Parker emailed  
23 Hospital C VP the following message, with the subject "Credentialing,  
24 ACS Enrollment, Agreement, Specialist Recommendations":

25 Any progress on the Agreement, Surgeon recommendations, on the  
26 credentialing requirements for the Doctors or the [DOL/]ACS  
27 enrollment. I know you understand that the sooner we get the  
28 Doctors credentialed the sooner we can focus on scheduling the

1 surgeries. We don't want to lose any of [the] surgeries that  
2 should be scheduled at [Hospital C].

3 Hospital C VP replied within twenty minutes:

4 Yes, I would like to get going on the credentialing for your  
5 surgeons. Can I email someone the applications to start the  
6 process? Can you refresh my memory on the main outpatient  
7 procedures for the generalist and spine surgeon? Thanks, [a]nd  
8 attorney and [CEO] are reviewing the contract.

9 Overt Act No. 118: On or about October 22, 2013, Parker replied  
10 to the email chain identified in the preceding Overt Act with UCC-N's  
11 name and email address for the credentialing applications. Shortly  
12 thereafter, Hospital C VP replied asking for the first name of at  
13 least UCC-P. Parker responded with the full name and specialty of  
14 UCC-O, UCC-P, and UCC-Q.

15 Overt Act No. 119: On or about October 23, 2013, UCC-N received  
16 an email from the Hospital C Credentials Coordinator, regarding  
17 "Application Instructions." UCC-N then shared the instructions with  
18 Parker and suggested that the Performance Managed Specialty  
19 Physicians would need to fill out and sign the necessary forms for  
20 credentialing at Hospital C..

21 Overt Act No. 120: On or about October 25, 2013, defendant  
22 CARRICO emailed Parker seeking "any news on any hospitals?"

23 Overt Act No. 121: On or about October 25, 2013, Parker  
24 responded to defendant CARRICO's email identified in the preceding  
25 Overt Act:

26 Working on getting the specialists credentialed at [Hospital C].  
27 They [Hospital C] have the contract and are reviewing it.  
28

1  
2 I have an appointment with [Chairman] of Hospital E in Monrovia  
3 on Wednesday the 30th. It's a small 49 bed Hospital but they  
4 have a great OR and we have 3 spine surgeries already in the  
5 process of scheduling for Dr [UCC-O].

6  
7 I'm hoping to hear from Dr [UCC-P] regarding a new person- the  
8 CEO at [Hospital D] to meet with. I text[ed] him about it again  
9 today. Just waiting on him.

10  
11 I went over to the Riverside office on Wednesday and got a  
12 chance to meet Dr. [REDACTED]. . . . Did you know that she is  
13 on the Ethics Board at [Hospital C]? She said we should tell  
14 her of any Doctor recommendations they make and she will tell us  
15 how great they are.

16  
17 Regarding Molina, they are in the process of getting the  
18 Hospital credentialed. I spoke to [UCC-A] and she said it would  
19 take about 2 to 3 weeks. She is talking to the legal department  
20 about the contract. Still alive!

21  
22 There is a person that Dr [UCC-O] recommended at [Hospital F].  
23 They have two campuses [--] ones in downtown LA and the other is  
24 in Rosemead. I spoke to him today and we are to speak again on  
25 Monday to check his schedule for a meeting possibly on Monday or  
26 early next week . . .

1        Overt Act No. 122: On or about October 28, 2013, UCC-G emailed  
2 UCC-L writing that "[a]ny questions regarding claims for Pacific  
3 Hospital should be addressed to [UCC-F] after 10/30/13."

4        Overt Act No. 123: On or about October 29, 2013, Parker emailed  
5 Drobot and Canedo with the subject, "Outstanding Invoices" and wrote,  
6 "Please contact me at your earliest convenience to settle the 7  
7 months of outstanding invoices."

8        Overt Act No. 124: On or about November 13, 2013, defendant  
9 CARRICO emailed UCC-N requesting the names of patients that UCC-O  
10 performed surgery on from 2011-2013. In a reply, UCC-N attached a  
11 list of the requested information, which included 15 patients in  
12 2011, 29 patients in 2012, and 17 patients "so far" in 2013.

13        Overt Act No. 125: On or about November 14, 2013, Hospital D  
14 Director emailed Parker apologizing for falling out of touch and  
15 asked if Parker wanted "to continue our discussions." On the same  
16 date, Parker replied, "Yes, I do[,] and provided his telephone  
17 number.

18        Overt Act No. 126: On or about November 21, 2013, Parker  
19 emailed UCC-M, writing, "I am reviewing the [Performance Managed  
20 Specialty Physicians'] compensation. If you have a copy of the three  
21 specialists' compensation agreements available to email, would you  
22 please email them to me?"

23        Overt Act No. 127: On or about November 25, 2013, UCC-M emailed  
24 Parker the Performance Managed Specialty Physicians' Facility Rental  
25 and Services Agreements for UCC-O, UCC-P, and UCC-Q that Parker  
26 requested in the email identified in the preceding Overt Act.

27        Overt Act No. 128: On or about November 25, 2013, UCC-M also  
28 emailed Parker that defendant CARRICO caused UCC-M to modify the

1 language of UCC-O's Facility Rental and Services Agreement, creating  
2 a new 2013 Facility Rental and Services Agreement (the "2013  
3 Facilities Agreement") to present to UCC-O on December 2, 2013. The  
4 modified 2013 Facilities Agreement was attached to the email and  
5 reflected a reduction of the rental and services fee from the prior  
6 (2012) Facilities Agreement that UCC-O was required to pay from  
7 \$11,572 to \$5,876. The 2013 Facilities Agreement also did not  
8 contain a provision for a 90-day grace period on the monthly fee  
9 payment.

10 Overt Act No. 129: On or about June 4, 2013, UCC-N emailed  
11 Parker and wrote:

12 FYI, Dr [UCC-Q] told me about an emergency sx [surgery] he needs  
13 to do at [his surgery center]." UCC-N explained that it was a  
14 federal workers' compensation patient, but that the surgery was  
15 not authorized because the claim was not accepted yet. UCC-N  
16 continued, "Due to the severity of infection, Dr [UCC-Q] wants  
17 to proceed [with the emergency surgery], since [UCC-Q's] the one  
18 to [authorize surgeries] at that center. I hope this is  
19 alright? Please advise. Thanks[.]

20 Overt Act No. 130: On or about December 10, 2013, Parker  
21 forwarded an email from UCC-L to Drobot and Canedo. In the forwarded  
22 email, UCC-L wrote Parker: "Are you able to get the above 13 missing  
23 bills or [do we] not need to work on it any more?"  
24  
25  
26  
27  
28

## COUNTS TWO THROUGH NINE

[18 U.S.C. §§ 1341, 1346, 2(b)]

49. Paragraphs 1 through 39 and 41 through 48 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

50. Beginning on a date unknown, but no later than in or about June 2004, and continuing through at least in or around December 2013, in Orange, Los Angeles, and Riverside Counties, within the Central District of California, and elsewhere, defendant CARRICO, along with Parker, the UCCs, and others known and unknown to the Grand Jury at various times between 2004 and 2013, inclusive, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of defendant PERFORMANCE MEDICAL, the Performance Managed Specialty Physicians, and other co-schemer medical professionals, of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying kickbacks and bribes to induce the referral of patients from defendant PERFORMANCE MEDICAL to Kickback Solicited Hospitals.

B. OPERATION OF THE SCHEME TO DEFRAUD

51. The fraudulent scheme operated, in substance, as set forth in paragraph 41 of this Indictment.

C. USE OF THE MAILS

52. On or about the dates set forth below, within the Central District of California, and elsewhere, defendant CARRICO, Parker, the UCCs, and others, for the purpose of executing and attempting to execute the above-described scheme to defraud, willfully caused the



following items to be placed in a post office and authorized depository for mail matters to be delivered by the Postal Service, as set forth below:

COUNT	APPROXIMATE DATE	ITEM MAILED
TWO	7/19/2012	U.S. Treasury Check (#4030 10782498), in the amount of \$264,640.73, to Health Smart Pacific Hospital ("Pacific Hospital") for reimbursement of various claims, including a FECA program reimbursement of \$11,263.35 related to the hospital-billing component of the surgery performed by UCC-Q on defendant PERFORMANCE MEDICAL patient J.A., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.
THREE	7/26/2012	Claim for reimbursement from Pacific Hospital to DOL-OWCP for the hospital-billing component of the medical care provided to defendant PERFORMANCE MEDICAL patient S.V., based on defendant CARRICO and Parker facilitating, directing, and causing the referral of the patient for a surgery at Pacific Hospital, which was performed by UCC-O on or about June 5, 2012.
FOUR	8/2/2012	U.S. Treasury Check (#4030 11333894), in the amount of \$302,422.45, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$33,028.86 related to the hospital-billing component of the surgery performed by UCC-P on defendant PERFORMANCE MEDICAL patient R.R., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.

COUNT	APPROXIMATE DATE	ITEM MAILED
FIVE	10/4/2012	U.S. Treasury Check (#4030 13649094), in the amount of \$447,657.48, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$54,355.28 related to the hospital-billing component of the surgery performed by UCC-O on defendant PERFORMANCE MEDICAL patient S.V., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.
SIX	11/5/2012	Claim for reimbursement from Pacific Hospital to DOL-OWCP for the hospital-billing component of the medical care provided to defendant PERFORMANCE MEDICAL patient S.G., based on defendant CARRICO and Parker facilitating, directing, and causing the referral of the patient for a surgery at Pacific Hospital, which was performed by UCC-Q on or about October 12, 2012.
SEVEN	11/29/2012	U.S. Treasury Check (#403015954315), in the amount of \$186,524.72, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$11,882.54 related to the hospital-billing component of the surgery performed by UCC-Q on defendant PERFORMANCE MEDICAL patient S.G., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.
EIGHT	2/13/2013	Check number 269726 from Pacific Hospital, in the amount of \$75,000, payable to UCTN to induce the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital and tied to Pacific Hospital's FECA program reimbursements in November 2012.

COUNT	APPROXIMATE DATE	ITEM MAILED
NINE	3/26/2013	Check number 270171 from Pacific Hospital, in the amount of \$75,000, payable to UCTN to induce the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital and tied to Pacific Hospital's FECA program reimbursements in December 2012.

## COUNTS TEN THROUGH FIFTEEN

[18 U.S.C. §§ 1343, 1346]

53. Paragraphs 1 through 39 and 41 through 48 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

54. Beginning on a date unknown, but no later than in or about June 2004, and continuing through at least in or around December 2013, in Orange, Los Angeles, and Riverside Counties, within the Central District of California, and elsewhere, defendant CARRICO, along with Parker, the UCCs, and others known and unknown to the Grand Jury at various times between 2004 and 2013, inclusive, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of defendant PERFORMANCE MEDICAL, the Performance Managed Specialty Physicians, and other co-schemer medical professionals, of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying kickbacks and bribes to induce the referral of patients from defendant PERFORMANCE MEDICAL to Kickback Solicited Hospitals.

B. OPERATION OF THE SCHEME TO DEFRAUD

55. The fraudulent scheme operated, in substance, as set forth in paragraph 41 of this Indictment.

C. USE OF WIRE COMMUNICATIONS

56. On or about the following dates, within the Central District of California, and elsewhere, defendant CARRICO, Parker, the UCCs, and others, for the purpose of executing the above-described scheme to defraud, transmitted and caused the transmission of items

by means of wire communication in interstate commerce, as set forth below:

COUNT	APPROXIMATE DATE	INTERSTATE WIRE TRANSMISSION
TEN	2/19/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$75,000 from Pacific Hospital's East West Bank Account ending in 0545 (the "PHLB 0545 EW Bank Acct") in California to UCTN's Bank of America bank account ending in 2607 (the "UCTN 2607 BoA Acct") in California.
ELEVEN	4/8/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$75,000 from the PHLB 0545 EW Bank Acct in California to the UCTN 2607 BoA Acct in California.
TWELVE	5/16/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$75,000 from the PHLB 0545 EW Bank Acct in California to the UCTN 2607 BoA Acct in California.
THIRTEEN	6/12/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$75,000 from the PHLB 0545 EW Bank Acct in California to the UCTN 2607 BoA Acct in California.
FOURTEEN	7/17/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$75,000 from the PHLB 0545 EW Bank Acct in California to the UCTN 2607 BoA Acct in California.

COUNT	APPROXIMATE DATE	INTERSTATE WIRE TRANSMISSION
FIFTEEN	11/12/2013	Interstate wire through Richardson, Texas and Pittsburgh, Pennsylvania in connection with effectuating a transfer of \$200,000 from the PHLB 0545 EW Bank Acct in California to the UCTN 2607 BoA Acct in California.

COUNTS SIXTEEN THROUGH TWENTY-ONE

[18 U.S.C. §§ 1952(a)(1), (a)(3); 18 U.S.C. § 2]

57. Paragraphs 1 through 39, 41 through 48, 52, and 56 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

58. On or about the dates set forth below, in Orange, Los Angeles, and Riverside Counties, within the Central District of California, and elsewhere, defendant CARRICO used, aided and abetted the use of, and willfully caused the use of, the mail and facilities in interstate commerce, with the intent to distribute the proceeds of, and otherwise promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely, kickbacks in violation of California Business & Professions Code Section 650 and California Insurance Code Section 750, and thereafter performed, attempted to perform, and aided and abetted and willfully caused the performance of, an act to distribute the proceeds of, to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity as follows:

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COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
SIXTEEN	7/19/12	Mailing of U.S. Treasury Check (#403010782498), in the amount of \$264,640.73, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$17,006.74 related to the hospital-billing component of the surgery performed by UCC-Q on defendant PERFORMANCE MEDICAL patient A.F., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about November 9, 2012, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$55,000, in connection with FECA program reimbursements to Pacific Hospital in July 2012 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.
SEVENTEEN	9/13/12	Mailing of U.S. Treasury Check (#403012817129), in the amount of \$124,989.49, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$29,909.38 related to the hospital-billing component of the surgery performed by UCC-O on defendant PERFORMANCE MEDICAL patient J.C., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about December 26, 2012, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$55,000, in connection with FECA program reimbursements to Pacific Hospital in September 2012 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.

COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
EIGHTEEN	9/27/12	Mailing of U.S. Treasury Check (#403013434125), in the amount of \$87,994.25, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$23,097.81 related to the hospital-billing component of the surgery performed by UCC-P on defendant PERFORMANCE MEDICAL patient S.E., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about January 23, 2013, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$75,000, in connection with FECA program reimbursements to Pacific Hospital in September 2012 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.
NINETEEN	11/23/12	Mailing of U.S. Treasury Check (#403015701950), in the amount of \$138,009.37, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$11,903.81 related to the hospital-billing component of the surgery performed by UCC-P on defendant PERFORMANCE MEDICAL patient V.B., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about February 11, 2013, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$75,000, in connection with FECA program reimbursements to Pacific Hospital in November 2012 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.

COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
TWENTY	1/17/13	Mailing of U.S. Treasury Check (#403017601467), in the amount of \$97,785.16, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$16,611.62 related to the hospital-billing component of the surgery performed by UCC-Q on defendant PERFORMANCE MEDICAL patient K.G., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about May 7, 2013, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$75,000, in connection with FECA program reimbursements to Pacific Hospital in January 2013 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.
TWENTY-ONE	3/14/13	Mailing of U.S. Treasury Check (#4030 19643813), in the amount of \$222,487.95, to Pacific Hospital for reimbursement of various claims, including a FECA program reimbursement of \$41,759.17 related to the hospital-billing component of the surgery performed by UCC-O on defendant PERFORMANCE MEDICAL patient J.P., based on defendant CARRICO and Parker facilitating, directing, and causing such referral to Pacific Hospital.	On or about June 28, 2013, Pacific Hospital issued a kickback and bribe payment to UCTN, in the amount of \$75,000, in connection with FECA program reimbursements to Pacific Hospital in March 2013 for services and items furnished to patients of defendant PERFORMANCE MEDICAL referred to Pacific Hospital.

## COUNTS TWENTY-TWO THROUGH TWENTY-EIGHT

[42 U.S.C. § 1320a-7b(b) (1) (A); 18 U.S.C. § 2]

59. Paragraphs 1 through 39, 41 through 48, 52, and 56 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

60. On or about the dates set forth below, in Orange, Los Angeles, and Riverside Counties, within the Central District of California, and elsewhere, defendant CARRICO and Parker, each aiding and abetting the other, knowingly and willfully solicited and received, and willfully caused to be solicited and received, remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, the monthly billing and collections fees Pacific Hospital paid under the guise of the Management Services Agreement with UCTN, in return for referring patients of defendant PERFORMANCE MEDICAL to Pacific Hospital for the furnishing and arranging for the furnishing of items and services, that is, spinal surgeries, other types of surgeries, MRIs, pain management, and other services and items, for which payment was made in whole and in part under a Federal health care program, namely, the FECA program, as follows:

COUNT	APPROXIMATE DATE	REMUNERATION
TWENTY-TWO	11/9/2012 (posted on 11/19/2012)	Pacific Hospital check number 268665, in the amount of \$55,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL, specifically including the referral of patients J.A. and F.A., who defendant CARRICO and Parker caused UCC-Q to perform surgeries on at Pacific Hospital on or about May 25, 2012.

COUNT	APPROXIMATE DATE	REMUNERATION
TWENTY-THREE	11/28/2012 (posted on 12/12/2012)	Pacific Hospital check number 268873, in the amount of \$55,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient R.R., who defendant CARRICO and Parker caused UCC-P to perform surgery on at Pacific Hospital on or about June 4, 2012.
TWENTY-FOUR	12/26/2012 (posted on 1/7/2013)	Pacific Hospital check number 269213, in the amount of \$55,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient J.C., who defendant CARRICO and Parker caused UCC-O to perform surgery on at Pacific Hospital on or about August 14, 2012.
TWENTY-FIVE	1/23/2013 (posted on 2/1/2013)	Pacific Hospital check number 269529, in the amount of \$75,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient N.N., who defendant CARRICO and Parker caused UCC-O to perform surgery on at Pacific Hospital on or about August 6, 2012.

COUNT	APPROXIMATE DATE	REMUNERATION
TWENTY-SIX	2/11/2013 (posted on 2/19/2013)	Pacific Hospital check number 269726, in the amount of \$75,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient E.M., who defendant CARRICO and Parker caused UCC-P to perform surgery on at Pacific Hospital on or about September 24, 2012.
TWENTY-SEVEN	3/21/2013 (posting 4/8/2013)	Pacific Hospital check number 270171, in the amount of \$75,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient S.G., who defendant CARRICO and Parker caused UCC-Q to perform surgery on at Pacific Hospital on or about October 12, 2012.
TWENTY-EIGHT	6/28/2013 (posting 7/17/2013)	Pacific Hospital check number 271349, in the amount of \$75,000, payable to UCTN, for the referral of patients of defendant PERFORMANCE MEDICAL to Pacific Hospital, specifically including the referral of patient J.P., who defendant CARRICO and Parker caused UCC-O to perform surgery on at Pacific Hospital on or about October 16, 2012.

## COUNTS TWENTY-NINE AND THIRTY

[42 U.S.C. § 1320a-7b(b)(2)(A); 18 U.S.C. § 2(b)]

61. Paragraphs 1 through 39, 41 through 48, 52, 56, 58 and 60 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

62. On or about the dates set forth below, in Orange, Los Angeles, and Riverside Counties, within the Central District of California, and elsewhere, defendant CARRICO knowingly and willfully offered and paid, and willfully caused to be offered and paid, remuneration, indirectly and covertly, in cash and in kind, that is, the vast majority of the monthly billing and collections fees Pacific Hospital paid under the guise of the applicable Management Services Agreement with UCTN, which defendant CARRICO allowed Parker to retain -- for purportedly providing Pacific Hospital with billing and collection services, which, in fact, defendant CARRICO, through defendant ONE ACCORD, provided for a fraction of the MSA monthly fee -- to induce Parker to generate, refer, and steer injured federal employees to defendant PERFORMANCE MEDICAL, for the furnishing and arranging for the furnishing of items and services, that is, medical office services, physical therapy, durable medical equipment, and other items and services, for which payment was made in whole and in part under a Federal health care program, namely, the FECA program, as follows:

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COUNT	APPROXIMATE DATE	REMUNERATION
TWENTY-NINE	2/11/2013 (posted on 2/19/2013)	Pacific Hospital check number 269726, payable to UCTN, in the amount of \$75,000, of which Parker retained the vast majority of the proceeds as payment for the generation, referral, and steering of federal employees potentially covered under the FECA program to defendant PERFORMANCE MEDICAL, and for the subsequent referral of a subset of these patients to Pacific Hospital for hospital-based services and items that the FECA program reimbursed in November 2012.
THIRTY	6/28/2013 (posted on 7/17/2013)	Pacific Hospital check number 271349, payable to UCTN, in the amount of \$75,000, of which Parker retained the vast majority of the proceeds as payment for the generation, referral, and steering of federal employees potentially covered under the FECA program to defendant PERFORMANCE MEDICAL, and for the subsequent referral of a subset of these patients to Pacific Hospital for hospital-based services and items that the FECA program reimbursed in March 2013.

## COUNT THIRTY-ONE

[42 U.S.C. § 1320a-7b(b) (1) (A); 18 U.S.C. § 2]

63. Paragraphs 1 through 39, 41 through 48, 52, 56, 58 and 60 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

64. As set forth in Overt Act Nos. 99 to 105, 109, 112, 115, 120, and 121 of paragraph 48, in or about September 2013 and October 2013, Parker, in coordination with defendant CARRICO, communicated with UCC-A and the Molina Executive to establish a referral relationship involving UCTN, defendants PERFORMANCE MEDICAL and ONE ACCORD, and College Hospital.

65. On or about October 8, 2013, in Los Angeles County, within the Central District of California, and elsewhere, defendant CARRICO and Parker, each aiding and abetting the other, knowingly and willfully solicited, and willfully caused to be solicited, remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, from College Hospital, in return for referring patients to College Hospital for the furnishing and arranging for the furnishing of items and services, that is, surgeries and other medical services and items, for which payment would be made in whole and in part under a Federal health care program, namely, the FECA program.

## COUNT THIRTY-TWO

[42 U.S.C. § 1320a-7b(b) (1) (A); 18 U.S.C. § 2]

66. Paragraphs 1 through 39, 41 through 48, 52, 56, 58 and 60 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

67. As set forth in Overt Act Nos. 106 to 108, 114, and 116 to 121 of paragraph 48, in or about October 2013, defendant CARRICO and Parker, communicated with Hospital C CEO and Hospital C VP to establish a referral relationship involving defendants PERFORMANCE MEDICAL and ONE ACCORD, UCTN, and Hospital C.

68. On or about October 1, 2013, in Riverside County, within the Central District of California, and elsewhere, defendant CARRICO and Parker, each aiding and abetting the other, knowingly and willfully solicited, and willfully caused to be solicited, remuneration, directly and indirectly, overtly and covertly, in cash and in kind, that is, kickbacks and bribes, from Hospital C, in return for referring patients to Hospital C for the furnishing and arranging for the furnishing of items and services, that is, surgeries and other medical services and items, for which payment would be made in whole and in part under a Federal health care program, namely, the FECA program.

## FORFEITURE ALLEGATION ONE

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(A),  
981(a)(1)(C) and 28 U.S.C. § 2461(c)]

69. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendants CARRICO, ONE ACCORD MANAGEMENT, INC., and PERFORMANCE MEDICAL & REHAB CENTER, INC. (collectively, the "defendants") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7), 981(a)(1)(A) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under Count One of this Indictment.

70. Defendants shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in Count One of this Indictment;

b. all right, title, and interest in any and all property, real or personal, involved in or traceable to any transaction set forth in Count One of this Indictment; and

c. a sum of money equal to the total value of the property described in subparagraphs a. and b. If more than one defendant is found guilty under Count One of this Indictment, each such defendant found guilty shall be liable for the entire amount forfeited pursuant to Count One of this Indictment.

71. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), each defendant shall

1 forfeit substitute property, up to the total value of the property  
2 described in the preceding paragraph if, as a result of any act or  
3 omission of a defendant, the property described in the preceding  
4 paragraph, or any portion thereof (a) cannot be located upon the  
5 exercise of due diligence; (b) has been transferred, sold to or  
6 deposited with a third party; (c) has been placed beyond the  
7 jurisdiction of the Court; (d) has been substantially diminished in  
8 value; or (e) has been commingled with other property that cannot be  
9 divided without difficulty.

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## FORFEITURE ALLEGATION TWO

[18 U.S.C. §§ 982(a)(7), 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

72. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendant CARRICO ("defendant") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 982(a)(7) and 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of defendant's conviction under any of Counts Two through Thirty-Two of this Indictment.

73. Defendant shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the gross proceeds traceable to the commission of any offense set forth in any of Counts Two through Thirty-Two of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a.

74. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b), defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has

1 been commingled with other property that cannot be divided without  
2 difficulty.

3  
4 A TRUE BILL

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6 151  
7 Foreperson  
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10 TRACY L. WILKISON  
11 Attorney for the United States,  
12 Acting Under Authority Conferred  
13 by 28 U.S.C. § 515

14 

15 LAWRENCE S. MIDDLETON  
16 Assistant United States Attorney  
17 Chief, Criminal Division

18 DENNISE D. WILLETT  
19 Assistant United States Attorney  
20 Chief, Santa Ana Branch Office

21 JOSEPH T. MCNALLY  
22 Assistant United States Attorney  
23 Deputy Chief, Santa Ana Branch Office

24 ASHWIN JANAKIRAM  
25 Assistant United States Attorney  
26 Major Frauds Section

27 SCOTT D. TENLEY  
28 Assistant United States Attorney  
Santa Ana Branch Office